

Weekly Compilation of
**Presidential
Documents**



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Contents

Addresses and Remarks

See also Bill Vetoes
Budget debate—2000
Democratic Leadership Council—2013
Gaetano Maggio, telephone conversation—2006
New England Regional Health Care Conference, teleconference—2019
Radio address—2000
Virginia, Veterans Day wreath-laying ceremony in Arlington—2002
World War II Memorial site, dedication ceremony—2007
World War II veterans, teleconference—2004

Bill Signings

Department of Transportation and Related Agencies Appropriations Act, 1996, statement—2032
Energy and Water Development Appropriations Act, 1996, statement—2024

Bill Vetoes

Continuing resolution legislation, message—2025
Temporary public debt limit increase legislation
Message—2012
Remarks—2009

Communications to Congress

See also Bill Vetoes
Commodity Credit Corporation, message transmitting report—1999

Communications to Congress—Continued

Compensation for furloughed Federal Government employees, message transmitting proposed legislation—2033
Cyprus, letter transmitting report—1999
National Corporation for Housing Partnerships, message transmitting report—1999
Temporary public debt limit increase, message transmitting proposed legislation—2013

Communications to Federal Agencies

U.S. relations with the Palestine Liberation Organization, memorandum—2026

Interviews With the News Media

Exchange with reporters in the Oval Office—2009
Interview with NHK Television of Japan—2033
News conference, November 16 (No. 106)—2028

Proclamations

National Family Week—2028
National Farm-City Week—2027
National Great American Smokeout Day—2026

Statements by the President

See also Bill Signings
Action to prevent default on the public debt—2026
Balkan peace process—2009

(Continued on the inside of the back cover.)

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS

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Contents—Continued

Statements by the President—Continued

Budget reconciliation legislation, House
action—2043
Conventional Forces in Europe Treaty—2042
Saudi Arabia, terrorist attack in Riyadh—2024
“Weapons Offenses and Offenders” report—
2009

Supplementary Materials

Acts approved by the President—2044
Checklist of White House press releases—
2043
Digest of other White House
announcements—2043
Nominations submitted to the Senate—2043

Week Ending Friday, November 17, 1995

**Letter to Congressional Leaders
Transmitting a Report on Cyprus**

November 9, 1995

Dear Mr. Speaker: (Dear Mr. Chairman:)

In accordance with Public Law 95-384 (22 U.S.C. 2373(c)), I submit to you this report on progress toward a negotiated settlement of the Cyprus question. The previous report covered progress through July 31, 1995. The current report covers the period August 1, 1995, through September 30, 1995.

I can assure you of my continuing interest in helping find a solution to this long-standing issue, but I also believe that peace can result only through the will and determination of the parties themselves. I remain concerned about the current lack of progress. My Administration is working to ensure that preparations for Special Emissary Beattie's renewed effort later this year will be successful.

We continue to believe strongly that the European Union (EU) accession process for Cyprus can have a positive impact on efforts to achieve a negotiated settlement. In that context, there are substantive questions arising from prospective EU membership. Accordingly, the EU must maintain frequent contacts with both Cypriot communities to address these key questions. This subject is a constant theme in our discussions with EU representatives.

Sincerely,

William J. Clinton

NOTE: Identical letters were sent to Newt Gingrich, Speaker of the House of Representatives, and Jesse Helms, chairman, Senate Committee on Foreign Relations. This letter was released by the Office of the Press Secretary on November 10. This item was not received in time for publication in the appropriate issue.

**Message to the Congress
Transmitting the Report of the
Commodity Credit Corporation**

November 9, 1995

To the Congress of the United States:

In accordance with the provisions of section 13, Public Law 806, 80th Congress (15 U.S.C. 714k), I transmit herewith the report of the Commodity Credit Corporation for fiscal year 1993.

William J. Clinton

The White House,
November 9, 1995.

NOTE: This letter was released by the Office of the Press Secretary on November 10. This item was not received in time for publication in the appropriate issue.

**Message to the Congress
Transmitting the Report of the
National Corporation for Housing
Partnerships**

November 9, 1995

To the Congress of the United States:

I transmit herewith the annual report of the National Corporation for Housing Partnerships and the National Housing Partnership for fiscal years 1993 and 1994, as required by section 3938(a)(1) of title 42 of the United States Code.

William J. Clinton

The White House,
November 9, 1995.

NOTE: This letter was released by the Office of the Press Secretary on November 10. This item was not received in time for publication in the appropriate issue.

Remarks on the Budget Debate*November 10, 1995*

Good afternoon. The budget debate we are now engaged in is a serious and critical moment for this country. The debate is about whether we will balance this budget in a way that is consistent with our fundamental values: our responsibility to our parents and to our children; our determination to provide opportunity for all Americans to make the most of their own lives through good jobs and education and technology; our obligation to protect the environment and to maintain America's ability to be the world's strongest force for peace and freedom, for democracy and prosperity.

In a larger sense, I believe this budget debate is about two very different futures for America: about whether we will continue to go forward under our motto, *E Pluribus Unum*, out of many, one; whether we will continue to unite and grow; or whether we will become a more divided, winner-take-all society.

I recognize that the Republican Congress has a very different view. The American people deserve a serious debate over these two approaches to balancing the budget. But we cannot have that serious debate under the threat of a Government default or shutdown. And we cannot cut Medicare, education, and the environment as a condition of keeping the Government open.

The bills Congress voted on last night are not ordinary measures designed simply to keep the Government open while we continue the debate over how to balance the budget. Instead, last night Republicans in Congress voted to raise Medicare premiums; they voted to cut education and to cut it deeply; and they voted to overturn three decades of bipartisan environmental safeguards.

Beyond that, these measures would make a Government default almost inevitable, for the first time in our history, because they take away from the Secretary of the Treasury the tools now available to avoid default under extraordinary circumstances. This is deeply irresponsible. It has never happened before, and it should not happen now.

Republicans in Congress have a responsibility to keep the Government running

without cutting Medicare and increasing premiums, without cutting education and undercutting the environment. I want to work with Congress to resolve these differences and to keep the Government running in the interest of the American people. After all, we have shown we can work together on this. Just last September we agreed on an appropriate measure to keep the Government running while we finish the job of balancing the budget. We should simply do now what was done in September so that the Government and the budget debate can go on. And I believe Congress should stay in this weekend and finish this work.

Thank you.

NOTE: The President spoke at 1:05 p.m. in the Briefing Room at the White House. This item was not received in time for publication in the appropriate issue.

The President's Radio Address*November 11, 1995*

Good morning. At midnight this Monday night, unless Congress passes legislation to keep the Government running, the Federal Government will be required by law to begin shutting down. For months, the congressional Republicans have made a consistent threat: If I don't sign legislation cutting Medicare, education and the environment, they'll plunge the Government into default and force it to close its doors.

I don't want to shut down basic Government services for the American people, but I can't allow that to be used to force us to accept extreme budget measures that would violate our basic values as a nation and undermine the long-term welfare of the American people.

A very great deal is at stake in this debate. This budget debate is not about whether we will balance the budget. Both parties support that. It's about whether we will balance our budget in a way that is consistent with our fundamental values: our responsibility to our parents and to our children; our determination to provide opportunity for all Americans to make the most of their own lives through good jobs and education and technology; our obligation to protect the environment and to

keep America the world's strongest force for peace and freedom, democracy, and prosperity.

This budget debate is about two very different futures for America: about whether we'll continue to go forward under our motto, *E Pluribus Unum*, out of many, one; whether we will continue to unite and grow together; or whether we will become a more divided winner-take-all society.

Today as I speak with you, the congressional Republicans are on the verge of carrying out their threat. I want to explain how we have come to this juncture and why it is so important that we stand firm against measures that would endanger our future. The congressional Republicans propose to balance the budget in 7 years, but they would get there with deep cuts in Medicare, education, protection for the environment, and by raising taxes on working people. Five full months ago, I proposed an alternative plan to balance the budget in 10 years while protecting Medicare and Medicaid, increasing our investment in education and technology, protecting the environment, without raising taxes on working families. Since then, the Republican Congress has dismissed my proposal at every turn and has not met the deadlines established by law for setting this year's budget.

The new Federal fiscal year started back on October 1st. Now it's November 11th, Veterans Day, and still they haven't sent me a budget, even though the Republicans control both Houses of Congress. This is very unusual. In my first 2 years, we passed budgets to reduce the deficit in a timely fashion.

Also this year, the Republicans have not come close to resolving their own internal differences in their overall budget plan between measures passed in the House and the Senate. Back in 1993, we passed our deficit reduction plan 3 months earlier than this, in August. That plan has now given us 3 years of deficit reduction in a row for the first time since Mr. Truman was President. And the United States now has the lowest deficit as a percentage of our income of any industrial nation in the world except one. Let me say that again, we now have the lowest deficit as a percentage of our income of any industrial nation in the world except one.

Now, there have been times in our history when our budget process has run late before. I want to acknowledge that. But when that happens, the differing sides, regardless of party, usually agree to find a fair and unbiased way to keep the Government going and to enable the United States to pay its bills, while the broader debate about budget priorities goes on.

That is what I worked out with Congress in September. They passed and I signed a simple, straightforward bill to keep the Government running and to prevent America from going into default. That was the serious and responsible thing to do, and I applauded them for doing it at the time. Last week, I met with the Republican congressional leadership to try to find a way, again, to keep our Government open and to keep it from falling into default. As I told them then, we should balance the budget. But we cannot do it under a threat of Government shutdown and default.

Instead of following the path of reconciliation, however, they have, once again, gone their own way. This week, they voted on an unprecedented measure. On Thursday night, as a part of their bill to keep the Government going, both Houses voted a 25-percent increase in Medicare premiums for every single senior citizen on Medicare. That is an extraordinary act. No Congress in our history has ever demanded an increase in Medicare premiums as a condition of keeping the Government open. That is wrong, and I will not accept it.

And on this Veterans Day, they have a strange way of honoring all of those men and women who have sacrificed for our country. Eight million of the senior citizens and disabled Americans whose Medicare premiums would be raised by Congress are veterans, and they, too, deserve better.

The Republicans in Congress are also demanding deep cuts in education and the environment and a profound weakening of environmental laws as a condition of keeping the Government open and our bills paid. And they have added conditions to the debt limit legislation that amount to a shortcut to default on the full faith and credit of the United States.

Think of it this way, my fellow Americans: Imagine the Republican Congress as a banker and the United States as a family that has to go to the bank for a short-term loan for a family emergency. The banker says to the family, "I'll give you the loan, but only if you'll throw the grandparents and the kids out of the house first."

Well, speaking on behalf of the family, I say, no thanks. I believe we can find a good-faith way to keep the Government open and make good on its obligations. So I've asked my Chief of Staff, Leon Panetta, to meet with the Republican and the Democratic leaders of Congress this afternoon. I've instructed him to present them with the straightforward ideas to keep the Government open, just like we did in September and just as Congress has done dozens of times before. But I will not allow them to impose new, immediate cuts in Medicare, education, and the environment as a condition of keeping the Government open.

I believe we can resolve these differences without hurting the American people or our future. All around us we see evidence that America is on the move. Our economy is the envy of the world. The unemployment and inflation rates together are at a 25-year low, new businesses and exports of American products at an all-time high.

As I said, our deficit already is the smallest of any major economy in the world but one. Our Government as a percentage of the work force is the smallest it's been since 1933. We're making a serious assault on our social problems, like crime. Now, our challenge is to balance our budget in a way that is consistent with our fundamental values and to do it without threats and without partisan rancor. We can do that, so let's get it done.

Thank you for listening.

NOTE: The President spoke at 10:06 a.m. from the Oval Office at the White House.

Remarks at a Veterans Day Wreath-Laying Ceremony in Arlington, Virginia

November 11, 1995

Thank you, Secretary Brown, for your introduction and for your remarkable service

on behalf of the veterans of the United States. General Foley, Commander Liwack, distinguished leaders of all our veterans organizations, Secretary Brown, Secretary Perry, General Shalikashvili, Attorney General Reno, Senator Simpson; especially to my friend Congressman Montgomery. I want to join the remarks that were earlier made and thank you, sir, for your lifetime of service to the United States and for your unparalleled service to the veterans of the United States. We will all miss you, and we thank you.

To our men and women in uniform and their families here today and most of all, of course, to all of our veterans and their families and the Gold Star mothers and wives, their survivors who are here today; my fellow Americans: On this day that marked the end of World War I, we close the 50-year commemoration of the end of World War II. Together on this day we offer a prayer for peace and a tribute to those who defend it. All across this land a symphony of 50 bells will soar. Together on this day we say thank you to those who stepped forward to safeguard our security and our ideals. Today, this day, our grateful Nation is united to honor America's veterans.

This year we have paid special homage to the World War II generation. From the windswept beaches of Normandy to the craggy rocks of Corregidor, meeting the Americans who fought in that struggle has been one of the great privileges I have had as your President. Later today we will honor all of them in dedicating the site of the World War II memorial, ensuring that we will never, never forget those who suffered and sacrificed so that future generations of Americans might be free.

They followed in the footsteps of others who came before them, from those who battled for our independence to those who braved the trenches in "the war to end all wars." And clearly they inspired successive generations of heroes, men and women who fought in Korea, Vietnam, and the Persian Gulf; who steadily won the cold war; who served with such skill and compassion in Haiti; who saved so many lives in more than one place in Africa; who halted the Bosnia Serb attacks against innocent civilians; and

the men and women who, even as we gather here, safeguard the frontiers of freedom with their courage, their commitment, and their confidence.

Our Nation has obligations to all those who wear our uniform, ensuring that our military remains the strongest in the world, leaving no stone unturned in the search for the fullest possible accounting for Americans who never came home, supporting our citizen soldiers, the Guard and the Reserves, whom we call on increasingly to serve overseas, and ensuring that when our men and women in uniform leave the service we do not leave them. From education to employment, from buying a home to getting quality medical care, our veterans deserve and must have their Nation's unfaltering support. For our peace, our freedom, our prosperity is surely the legacy of their service.

Much of this responsibility still falls upon our Federal Government. We must uphold the commitment established first by President Franklin Roosevelt to give veterans preference for Federal jobs, and we are. Even as we shrink the work force of the National Government to its lowest level since President Kennedy served here, the percentage of permanent jobs in the Government going to our veterans has grown over the last 3 years.

We must rally the resources for veterans benefits, and we are. Even as we cut Government spending—and my fellow Americans, our annual deficit as a percentage of our income is now lower than that of any other industrial country in the entire world except for Norway—even as we do that, I have sought more than a \$1 billion increase in health funding for the VA so that we can provide better care for even more veterans.

And even as we enjoy a 15-year high in homeownership among Americans, we must not forget that there are too many homeless Americans, and an extraordinary percentage of them are veterans. Later today, a group of distinguished American entertainers will attempt to make America laugh to raise funds and increase awareness of the problems of the homeless. And they do it on this Veterans Day to remind us that it is a national disgrace that people who are willing to lay down their lives for this country do not have a roof over

which they will lay down their heads tonight. And we must continue to fight that.

We are committed to active communication with our veterans. We have to do more to bring the men in on the decisions that affect their lives. We will continue to pursue answers and provide relief for Gulf war veterans with unexplained illnesses. Just 3 days ago, we launched a major study to help address the concerns of Persian Gulf veterans about their health and that of their spouses and their children. And we are working hard to meet the special concerns of women veterans, the needs of disabled veterans, and the precious debt we owe to veterans' families.

But Government cannot and should not do this job alone. Supporting our veterans is not the Government's job; it's America's job. Over the last 3 years, I have visited our troops all around the world. I have stood in the desert of Kuwait with our vigilant warriors who stopped Iraqi aggression this time before it could start. I have met our fliers in Ramstein, Germany, who delivered supplies and hope to Bosnia in the largest humanitarian airlift of all time. I have visited the men and women of Operation Uphold Democracy who ended the terror and turned on the lights for the freedom-loving people in Haiti. I have been to Korea, where the steady presence of our Americans in uniform has been indispensable to our successful efforts to end the nuclear threat and maintain the peace there.

Wherever I go, I see firsthand the dedication, the skill, the ingenuity of our men and women in uniform. I see the legacy of World War I, World War II, Korea, Vietnam, the cold war, Desert Storm, all of our other encounters, in these young people who get better and better and better at what they do.

Every year, more than 275,000 of these talented Americans finish their military service and return to civilian life. The strength they bring to our Armed Forces can and indeed must fortify our Nation's civilian economy and fiber of civic life. So on this Veterans Day, let me urge every employer in America in the public and the private sector to tap the invaluable resource of America's veterans, to recognize their loyalty and their commitment—after all, they volunteered, sometimes for jobs of great danger and risk—

to recognize their skill, their creativity, their dedication. There are so many ways in which we can now say, nobody does it better. America's veterans are leaders and winners, and they can help America to compete and win. But they must be given the opportunity to serve and to work.

As we reflect on the challenges that these veterans have met so successfully in the recent and in the distant past, my fellow Americans, let us today rededicate ourselves to meet the new challenges we face today. Because of the work of our veterans, our Nation remains the world's strongest force for peace and freedom, for democracy and prosperity. And the world is moving in our direction.

We can be very thankful that on this Veterans Day, for the first time since the dawn of the nuclear era, there are no Russian missiles pointed at the children of the United States. We can be thankful for that.

But as the painful events of recent days have reminded us, the forces of darkness and division have not been destroyed. Threats like the proliferation of weapons of mass destruction; violence rooted in ethnic, religious, and racial hatred; organized crime and drug trafficking; and especially terrorism call upon us to respond. Just as our veterans faced down the threats of a previous era, so now we must confront these challenges of this time. Just as Congress and the President join in bipartisan spirit over the last 50 years to protect our Nation's security, so we must join today.

I am proud of the work our military is doing in the fight to keep illegal drugs out of America and the fight to break the terrible drug cartels of the world. I am proud of the work our law enforcement people have done here at home and abroad to combat terrorism, from bringing terrorists to justice from all across the world to actually stopping terrorists plots in the United States before they succeed.

But as we saw in the World Trade Center and at Oklahoma City and as we saw so recently in the tragic, tragic murder of Israel's great leader and military hero, Prime Minister Rabin, there is more to be done. Giving our officials the tools they need to defeat terrorism is now a part of our national security mission, just as maintaining a strong national

defense is. This matter must be beyond party. All of us must rise to the challenge to meet it.

As we close this commemoration of World War II, let me thank again General Kicklighter and all those who helped to make it possible and let me urge all of us to summon the spirit that joined that generation that stood together and cared for one another. The ideas they fought for are now ours to sustain. The dreams they defended are now ours to guarantee. In war they crossed racial and religious, sectional and social divisions to become one force for freedom.

Now, in a world where lives are literally being torn apart all over the globe by those very divisions, let us again lead by the power of example. Let us remember their example. Let us live our motto, *E Pluribus Unum*, from many, one. Let us grow strong together, not be divided and weakened. Let us find that common ground for which so many have fought and died.

On this hillside of honor and respects, let us once again humbly thank our veterans for answering the call to duty for what they did in times of crisis and war and what they did to preserve the peace. Let us remain ever grateful for all they have done. And for what we owe them, let us never be forgetful. We must and we will meet our obligations and secure our future if we remember all of that. My fellow Americans, that is our mission, and we must fulfill it.

Thank you. God bless you, and God bless America.

NOTE: The President spoke at 11:44 a.m. at the Tomb of the Unknowns at Arlington National Cemetery. In his remarks, he referred to Maj. Gen. Robert Foley, USA, commanding general, Military District of Washington; Joseph Liwack, commander, Polish Legion of American Veterans; and General C.M. Kicklighter, chairman, 50th Anniversary of World War II Commemorative Committee.

Teleconference Remarks With World War II Veterans

November 11, 1995

The President. Hello. Grace?

Ms. Ellen Grace Forgey. Yes, this is Grace Forgey.

The President. Carl Crabtree? Are you there?

Ms. Forgey. This is Grace Forgey. Hello?

Carl Crabtree. Yes, sir.

The President. Yes, I hear you, Grace.

Ms. Forgey. Oh, Mr. President?

The President. Yes. And is William Frizzell there?

William Frizzell. Yes.

The President. And John Byrnes?

John Byrnes. Yes, Mr. President. John Byrnes of New York City.

The President. Well, you're all on the line, and you sound like you're next door.

Ms. Forgey. That's the wonderful telephone company. There's one thing that we're—

Mr. Frizzell. We're on the line, and you can get us.

The President. That's great. Well, I'm just calling to wish all of you a happy Veterans Day and to say to you and veterans like you in the hospitals all across our country that we're thinking about you, we're pulling for you, and we're very excited about these phones in your room now, thanks to the PT Phone Home project.

Ms. Forgey. Yes, it's wonderful.

The President. And I'm here with Frank Dosio, who came up with the idea, and also with the leaders of the groups that implemented it, the Communications Workers of America, the International Brotherhood of Electrical Workers, Bell Atlantic, and Nynex Corporation and the Telephone Pioneers of America. They have done a wonderful job, and they have saved our Government literally millions and millions of dollars because of the volunteer work and the contributions they have made to make this opportunity available to all of you.

Ms. Forgey. And I want to say that it's made life—

Mr. Frizzell. Well, I put in 4 years—something.

Ms. Forgey. It's made life at the veterans hospital the last word, you know, in contact with the outside. It's wonderful. The hospital is wonderful.

The President. Well, I'm very glad, and I know you're grateful to all of these folks

that are here. That's why I wanted to tell you they were here.

Ms. Forgey. I certainly am.

Mr. Byrnes. It's a blessing, Mr. President, it really is.

Ms. Forgey. Yes. You should be very proud of your employees.

The President. You know, within an hour I'm going to leave the White House here and go dedicate the memorial to the veterans who fought in World War II 50 years ago.

Ms. Forgey. That's me.

The President. That will join the similar tributes to the Korean war and the Vietnam war veterans that we have on the Mall in Washington. I know that three of you, I believe, were in World War II. Grace, you were a nurse. Isn't that right?

Ms. Forgey. That's right, yes.

The President. And I think you have a son in the—and a grandson in the Army now.

Ms. Forgey. My grandson's in the Army, yes.

The President. Where is he?

Ms. Forgey. Fort Riley, Texas. Where is it?

The President. Kansas.

Ms. Forgey. That's right. I don't know one State from the other. It's wonderful to talk to you. How nice of you to do this.

The President. Thank you.

Ms. Forgey. It makes you feel like you belong to the right country.

The President. Mr. Frizzell? You're from Chillicothe, Ohio?

Mr. Frizzell. No, I'm from Columbus, Ohio.

The President. Oh, you're at Chillicothe?

Mr. Frizzell. I'm at Chillicothe.

The President. Yes. I visited that community once, and I went running around the city park. It was three degrees.

Mr. Frizzell. Yes.

The President. They thought I needed a mental examination for doing it, but it was a great morning. [Laughter]

Mr. Frizzell. I walked over to the nine building, and ended up in the 31 building, and I'll never tell you how in the hell I did that.

The President. You were at Pearl Harbor, weren't you?

Mr. Frizzell. Yes.

Ms. Forgey. My husband was at Pearl Harbor.

Mr. Frizzell. Camp Cameron—about a mile and a half from Pearl Harbor.

The President. Well, good for you.

Mr. Byrnes?

Mr. Byrnes. Yes, sir.

The President. You were in the Navy in World War II, isn't that right?

Mr. Byrnes. U.S.S. *Alaska*, CV-1. The best battleship the United States Navy ever had.

The President. Otherwise, you don't have strong feelings about it. [Laughter]

Mr. Byrnes. No, I—a little more than strong, sir.

The President. And you were at Iwo Jima, weren't you?

Mr. Byrnes. Iwo Jima, Okinawa, Japan, all through the Pacific.

The President. Well, we thank you for what you did.

Mr. Byrnes. Thank you, Mr. President.

The President. Mr. Crabtree?

Mr. Crabtree. Yes, sir.

The President. You were in—I'm told that you were in the military police.

Mr. Crabtree. Yes, sir.

The President. I wonder if that means you still have the power to arrest the rest of us if we don't behave. [Laughter]

You were on duty in Japan?

Mr. Crabtree. Yes, sir.

The President. After the war, right?

Mr. Crabtree. Yes, sir.

The President. I'm grateful to all of you, and I hope the VA has taken good care of you.

Ms. Forgey. It has.

The President. I wish you the best of health. We're doing everything we can to try to preserve the quality of health care in the veterans' network, and it's for people like you. We know on this Veterans Day that we owe our freedom to people like you who have served our country, and I just wanted to say how grateful I am to you for your service and how grateful I am to all of these people who are here with me for providing this PT Phone Home project. We're expanding it just as rapidly as we can, and I look forward to the day when every veteran like you in every hospital in this country has access to it.

Ms. Forgey. It's wonderful. They did a wonderful job.

The President. I hope you'll all have a good day. Grace and Carl and William and John, you have a wonderful day, and know that we're all thinking about you.

Mr. Byrnes. Thank you, Mr. President.

Ms. Forgey. Thank you, Mr. President.

The President. God bless you.

Mr. Frizzell. God bless you, and you have a wonderful day, too.

The President. We'll do it.

Ms. Forgey. Take care of yourself.

Mr. Byrnes. Have a good Thanksgiving and a good Christmas.

The President. Thank you. Bye-bye.

NOTE: The President spoke at 1:05 p.m. from the Oval Office at the White House. In his remarks he referred to Frank Dosio, coordinator, PT Phone Home.

Remarks in a Telephone Conversation With Gaetano Maggio November 11, 1995

The President. Hello.

Mr. Maggio. Hello, Mr. President.

The President. Mr. Maggio?

Mr. Maggio. Yes, sir.

The President. Happy birthday.

Mr. Maggio. Thank you, sir.

The President. I heard you're in Tampa with a big group of family members and friends.

Mr. Maggio. Right. That's my home in Tampa. Been in Tampa—my home since 1903.

The President. That's great. And this is your actual birthday, on this Veterans Day, is that right?

Mr. Maggio. Actual birthday, November the 11th at 11 o'clock at night.

The President. That's amazing. And you were among the first group of people from Tampa to volunteer for World War I, weren't you?

Mr. Maggio. Yes, sir. I sure did.

The President. Well, I really appreciate you.

Mr. Maggio. Thank you.

The President. I appreciate you and—do you have all your children there?

Mr. Maggio. All here.

The President. And a lot of grandchildren there?

Mr. Maggio. I got grandchildren and a great-grandchild here. It's the fifth generation.

The President. That's great.

Mr. Maggio. They come from Fort Lauderdale just to celebrate my birthday.

The President. I bet you're proud of that.

Mr. Maggio. I sure am.

The President. You've been very fortunate, haven't you?

Mr. Maggio. I've been very fortunate with my family. Got a beautiful family. And all—all of the boys that were servicemen—ex-servicemen—all have been servicemen.

The President. I know you're proud of them.

Mr. Maggio. And I'm proud of them. The whole six of them.

The President. Well, I just wanted to wish you a happy birthday, and I wanted to tell you that I'm proud of you, and I'm very grateful that our country has had someone like you—

Mr. Maggio. Thank you.

The President. —living here throughout the 20th century, seeing all the changes you've seen, and making the sacrifices you've made so that we could stay a free country and—

Mr. Maggio. I've seen plenty.

The President. You have seen a lot, haven't you.

Mr. Maggio. Yes, good and bad.

The President. Yes. But we can still bring immigrants to our shores and give them a shot at a better life because of people like you. And I really thank you for it.

Mr. Maggio. Thank you.

The President. And you have a wonderful day.

Mr. Maggio. Have a beautiful day, too. Thank you.

The President. Tell your family I said hello.

Mr. Maggio. Mr. President says hello to the family.

The Maggio Family. Hello, Mr. President.

The President. [Laughter] They sound great!

Thank you, sir, and God bless you.

Mr. Maggio. Thank you, sir.

The President. Bye-bye.

NOTE: The President spoke at 1:21 p.m. from the Oval Office at the White House.

Remarks at the Dedication of the World War II Memorial Site

November 11, 1995

Thank you, Dr. Encinias, for that introduction and for your truly remarkable service to our Nation. General Woerner, Governor Carey, Chairman Wheeler, Congresswoman Kaptur, I thank you all for what you have done to bring us to this day. I want to thank Mr. Durbin for his idea and for the triumph of his idea today, and the triumph of the idea that an American citizen can have a good idea and take it to the proper authorities and actually get something done. To all the members of Congress, and especially to Congressman Montgomery on his retirement, for all of his service to our veterans; to Mrs. Boyajian, thank you for your wonderful remarks today; General Shalikashvili, Secretary Perry, Secretary Brown, my fellow Americans.

I would like to begin by asking on the occasion of this last observance of the 50th anniversary of World War II that all of us express our appreciation to those who served on the World War II Commemorative Commission, and especially to its leader, General Kicklighter, for a magnificent job. Thank you all, and thank you, General.

On this Veterans Day we gather in special memory of World War II, and we dedicate this site to ensure that we will never forget. That war claimed 55 million lives, soldiers and civilians, children, the millions murdered in the death camps. It engulfed more of the Earth than any war before it or any war since. It was, as Governor Carey said, the coming of age not only for many Americans but for America, the moment that we understood that we could save the world for freedom and only we could save the world for freedom, and so we had to do it.

Today, we honor those who did just that, the fighting men and women who wore our uniform all around the world, and the millions of civilians on our Nation's homefront

who did the remarkable things embodied by Mrs. Boyajian. For all they did for our troops and for all they did without, all the sacrificing at home to help the cause abroad, we thank them, too.

My fellow Americans, the World War II generation emerged from the darkness of global war to strengthen our economy, to enlighten our society, and to lead our world to greater heights. More than 16 million women worked in our factories and cared for our soldiers. After the war, they began to play a larger role in our economy and, over time, a remarkable role in our military.

Many thousands of African-Americans served their country with courage and distinction as Tuskegee airmen and Triple Nickel paratroopers, and Sherman tank drivers and Navy Seabees. After the war, we began slowly to act on a truth too long denied, that if people of different races could serve as brothers abroad, surely—surely they could live as neighbors at home.

I cannot let this moment pass without expressing my gratitude to all those of other ethnic and racial groups who, themselves, knew discrimination who also served in World War II, and the especially brave and heroic Japanese-Americans who served in World War II, many of them with their own relatives in internment camps.

All these people took a fuller and larger and more meaningful role in American life after the war, and we were stronger for it. And instead of turning its back on the world the way the previous generation did after World War I, the World War II generation stood with its allies and reached out to its former adversaries to cement the partnerships and create the institutions that secured a half-century of unparalleled prosperity in the West, no return of world war, and victory in the cold war. We owe that generation a very great deal. And this monument will tell us we must never forget that, either.

This memorial whose site we dedicate today will be a permanent reminder of just how much we Americans can do when we work together, instead of fighting among ourselves. It will honor those who served and those who made the ultimate sacrifice. It will pay tribute to the millions of civilians who supported the war effort in spirit and action.

It will stand as a monument to the values that joined us in common cause, that are worth defending and that make our life worth living. All these things we must never forget.

Here in the company of President Lincoln and President Jefferson, the White House in which every President but George Washington has lived, and the monument to George Washington just behind you, with the stately Capitol dome beyond, the World War II Memorial will join the ranks of our greatest landmarks because it was one of the greatest and most important periods in our history.

We will seal this plaque soon with the earth of 16 World War II cemeteries, and so, in our small way, infuse this place with the spirit and the souls of those who died for freedom.

I want to thank all of those who have worked to so hard to raise the funds for this project, including my good friend, Jess Haye, from Dallas. I want to thank Secretary Perry and the Department of Defense for making an initial contribution. And to all of you in the future who will give to make sure that this project is done and done right, I thank you.

America must never forget the debt we owe the World War II generation. It is a small down payment on that debt to build this monument as magnificently as we can.

From this day forward, this place belongs to the World War II generation and to their families. Let us honor their achievements by upholding always the ideals they defended and by guarding always the dreams they fought and died for, for our children and our children's children.

Thank you very much.

NOTE: The President spoke at 2:40 p.m. on The Mall. In his remarks, he referred to Miguel Encinias, World War II veteran and prisoner of war; Gen. Fred Woerner, USA (Ret.), chairman, and Hugh L. Carey, vice chairman, American Battle Monuments Commission; Peter Wheeler, chairman, World War II Memorial Advisory Board; Roger Durbin, World War II veteran and activist for the memorial; and Helen Boyajian, Home Front Representative. A portion of these remarks could not be verified because the tape was incomplete.

Statement on the “Weapons Offenses and Offenders” Report

November 11, 1995

These statistics are a chilling reminder to all of us—parents, teachers, police officers and elected leaders—that juvenile violence remains the number one crime problem in America.

I am proud of the landmark legislation we have passed to fight the scourge of youth violence, such as the juvenile handgun ban and zero-tolerance for guns in schools. But if we are to win this fight against crime and violence, more parents must begin to teach their children right from wrong.

And to anyone who would undo the steps I have taken to fight crime and violence in America’s streets and on her schoolyards, I say: Look at the facts. Now is not the time to weaken our laws.

NOTE: This statement was embargoed for release by the Office of the Press Secretary until 5:01 p.m. on November 12.

Statement on the Balkan Peace Process

November 12, 1995

Today’s agreement between the Government of Croatia and the leaders of the local Serbian community on the region of Eastern Slavonia is a major step toward the achievement of an overall peace settlement in the Balkans. This agreement provides for the peaceful reintegration of the region under Croatian sovereignty, following a period of transitional administration by the United Nations.

I congratulate the parties for the wisdom they have shown in entering into this agreement and avoiding renewed conflict. I also congratulate Secretary of State Warren Christopher, who played a direct role in assisting the parties to arrive at this agreement, along with Ambassador Richard Holbrooke and the U.S. and UN mediators, Ambassador Peter Galbraith and Thorvald Stoltenberg.

Remarks on Returning Without Approval Temporary Public Debt Limit Increase Legislation and an Exchange With Reporters

November 13, 1995

The President. Good morning. Today I am vetoing H.R. 2586, which the congressional leadership sent to me last night. It would allow the United States to pay its debts for another month but only at a price too high for the American people to pay. Here are the reasons why.

First, the bill actually increases the likelihood of a default on America’s obligations for the first time in our history by taking away from the Secretary of the Treasury the tools he now has to avoid default under extraordinary circumstances.

Second, the bill obligates the Government—Congress and the President—to pass the Republican congressional budget plan with its huge cuts in Medicare and Medicaid, education and technology, the environment, and its tax increases on working families.

Third, the bill implements the Republican congressional proposal to reverse a 30-year bipartisan commitment to environmental protection and public health. It would increase pollution and decrease the purity and safety of our air, water, and food.

This legislation is part of an overall backdoor effort by the congressional Republicans to impose their priorities on our Nation. Here is what is really going on.

Last spring, Speaker Gingrich said he and his new Republican congressional majority would force me, the congressional Democrats, and the American people to accept their budget and their contract by bringing about a crisis in the fall, by shutting down the Government and pushing America into default, unless I accepted their extreme proposals. In this way, the congressional Republicans sought to get around the United States Constitution which gives the President the power to veto measures not in the public interest.

They are now implementing the strategy Speaker Gingrich told us about last spring. And because I refuse to go along with it, they say I am refusing with them to solve these short-term problems.

When the time came for the Republicans to announce their balanced budget plan, I said I supported a balanced budget. I said I agreed with balancing the budget, but I did not agree with the way they proposed to do it. So I offered an alternative plan, and I offered then to work with them. I offered it repeatedly, beginning 5 months ago. They dismissed my offer and said at every turn that I would simply have to accept their budget conditions. That is what this legislation says again today.

When the time came for them to pass their own budget, however, they did not do their work. It is now 6 full weeks into the new budget year, and they have passed only 3 of the required 13 budget bills. Furthermore, they have not yet resolved the differences between the Republican House and Senate versions of the balanced budget. Instead, they propose to attach elements of a budget plan and their contract to essential bills to raise the debt ceiling so that America can meet its obligations and to keep the Government running until they do finish their budget work and a proper budget is passed. Their goal is to force me to sign legislation which I know to be harmful to our Nation and to its future or to veto the legislation, also with harmful consequences.

This is a critical moment of decision for our country. But the issue is not whether we will balance the budget and not whether I will work with them to solve this short-term problem. I do want to balance the budget. Remember that in 1993 when I took office, we had a huge deficit that was growing larger. Congress passed my economic plan, and since then we have reduced our deficit 3 years in a row for the first time in nearly 50 years. Today, only one industrialized nation has a lower deficit than the United States. We've also reduced the size of the Federal Government dramatically, so that today, as a percentage of the civilian work force, our Federal Government is the smallest it has been since 1933. The American economy has done well since 1993, since this budget plan was passed, as everyone knows.

The balanced budget plan that I have proposed would finish the job. It would eliminate the deficit in a way that strengthens our economy and, most important, reinforces our

most important values: our responsibility to our parents and to our children; to provide opportunity to all Americans to make the most of their own lives through education and technology; to strengthen our families; to preserve our environment; to keep America the world's strongest force for freedom and democracy, for peace and prosperity.

So that is the issue here. I believe we must pass a budget that is consistent with our values and our interests. I have said for months that I will not sign a budget that violates these values and undermines our economic interests.

This bill I veto today is a big downpayment on that Republican congressional budget. It is not good for America.

Our country has to choose between two very different options, two very different visions and paths to the 21st century. Throughout our history, our Nation has been able to reach important decisions on matters like this about national priorities through proper channels of deliberation and debate as set out in our Constitution. This year, the Republican Congress has failed to pass most of its spending bills, has not yet passed its overall budget plan, but instead has sought to impose some of its most objectionable proposals on the American people by attaching them to bills to raise the debt limit and to keep the Government running.

Now, the appropriate step for Congress to take would be to authorize America to meet its obligations and to pass temporary legislation to keep the Government running while this overall budget battle is taking place. This has been the course of action taken at other moments in history when Congress failed to meet its budget deadlines. That is exactly what we did just last September when the Congress did pass and I signed legislation to keep the Government running.

Our agreement in September was fair. It was unbiased. It kept the Government going, able to pay its bills and meet its obligations. That agreement was an honorable compromise. In recent days, Congress has chosen the path of confrontation. It is not in the national interest, but it is exactly what they said they would do last April.

They have attached these controversial long-range proposals to emergency legisla-

tion, not only to meet our financial obligations but just to keep the Government running. In the bill to keep the Government running, they voted to raise Medicare premiums by 25 percent for every single senior citizen who uses Medicare, \$264 a year for the typical couple, beginning the first of January. They voted to roll back three decades of environmental laws. Now they voted to put the United States on the path to default.

This is an unacceptable choice. Congress has said it will pass emergency legislation to keep the Government going and paying its bills only if we increase Medicare, cut education, cut the environment, take other unacceptable steps.

I know the American people want us to balance the budget with common sense and without bitterness, to drop the extreme proposals and get to work. Congress should take the sensible step of passing the legislation necessary to keep the Government going and to have America meet its financial obligations. Therefore, today, I am transmitting legislation to Congress that would enable the Government to pay its bills without forcing the acceptance of extreme cuts in Medicare, education, and the environment. This legislation would enable us to have a fair debate on our country's direction without rancor or threats. Congress should pass it without delay. This is not the time or the place for them to backdoor their budget proposals. It is not the right thing to do. I cannot, and I will not accept it.

Government Shutdown

Q. What happens now? Is the Government going to shut down? Will we default on our bills?

The President. That's up to the Congress. That is entirely up to them. I am certainly willing to work with the bipartisan leadership of the Congress to resolve this problem, but it is important that the American people have a forthright debate over this budget in the ordinary constitutional way. That is important. It is critically important that the President not permit this budget to be passed in a backdoor way, because we have to keep the Government running, because we have to meet our financial obligations.

This budget is a dramatic, even a radical, departure from the deliberate, disciplined, and I might add, highly successful plan that this administration has pursued over the last 2 years. It is also an dramatic and unacceptable departure from the appropriate way of doing business in this Government. America does not react well to this kind of pressure.

Seven Year Budget Agreement

Q. Mr. President, Speaker Gingrich yesterday appeared to offer what may be an olive branch when he said that everything was on the table if you would just agree to sit down and talk and agree in principle to a balanced budget in 7 years. Is that possible? Could you do that? And why not?

The President. I cannot agree in principle—we had a discussion in here the other day, I did with the Speaker and Senator Dole, I would remind you, about the budget and other things. We can have any discussion we want on the budget. But I will not agree as a matter of principle to any discussion in which they say, we want to raise Medicare premiums by 25 percent in a bill designed to keep the Government running or that we want to do it in a bill designed to enable America to meet its financial obligations.

I have asked them to do only one thing. I have asked them to say forthrightly that they're willing to meet with me and the bipartisan congressional leadership in an atmosphere in which they can pass whatever bills they want to pass in the budget process, but they will not attempt to raise Medicare premiums just as the price of letting the Government run for 2 more weeks or another month. I don't think that is right. I don't think the American people think that is right.

There is a procedure for passing budgets and for passing the budget plan. That is a procedure they have chosen not to follow. I don't know how many years, how many decades it's been since the Congress got 6 years into a new budget plan, having voted on only 3 of the 13 budget bills for the year. They have still not even met and resolved the differences between the House and Senate balanced budget plans.

There is a procedure for dealing with this. Now they have to resolve those differences. And it is time to get on the timetable. But

avoiding that, they seek to tack on to measures necessary to simply go through the ordinary business of the Government their budget, including a dramatic increase in Medicare premiums. All I have asked them to do is to say that they will not seek to increase Medicare premiums on this interim legislation to keep the Government running and that we will have this bipartisan meeting of the congressional leadership. And we will talk about everything if they do that. That is all I have asked them to do.

But America has never liked—ordinary Americans don't like pressure tactics. And I would be wrong to permit these kind of pressure tactics to dramatically change the course of American life. I cannot do it, and I will not do it.

Riyadh Terrorist Bombing

Q. Mr. President, what do you know about Riyadh?

The President. At this moment, I know very little more than you do. I know that Americans were killed in an explosion. We have expressed our condolences and deep regret to the families of those who were killed, and we have already begun the process of determining what happened and who, if anyone, was responsible if it was not an accident. And we will devote an enormous effort to that.

NOTE: The President spoke at 8:26 a.m. in the Oval Office at the White House. A tape was not available for verification of the content of these remarks.

Message to the House of Representatives Returning Without Approval Temporary Public Debt Limit Increase Legislation

November 13, 1995

To the House of Representatives:

I am returning herewith without my approval H.R. 2586, a bill that would provide a temporary increase in the public debt limit while adding extraneous measures that have no place on legislation of this kind.

This bill would make it almost inevitable that the Government would default for the first time in our history. This is deeply irre-

sponsible. A default has never happened before, and it should not happen now.

I have repeatedly urged the Congress to pass promptly legislation raising the debt limit for a reasonable period of time to protect the Nation's creditworthiness and avoid default. Republicans in the Congress have acknowledged the need to raise the debt limit; the budget resolution calls for raising it to \$5.5 trillion, and the House and Senate voted to raise it to that level in passing their reconciliation bills.

This bill, however, would threaten the Nation with default after December 12—the day on which the debt limit increase in the bill would expire—for two reasons:

First, under this bill, on December 13 the debt limit would fall to \$4.8 trillion, an amount \$100 billion below the current level of \$4.9 trillion. The next day, more than \$44 billion in Government securities mature, and the Federal Government would be unable to borrow the funds to redeem them. The owners of those securities would not be paid on time.

Second, the bill would severely limit the cash management options that the Treasury may be able to use to avert a default. Specifically, it would limit the Secretary's flexibility to manage the investments of certain Government funds—flexibility that the Congress first gave to President Reagan. Finally, while the bill purports to protect benefit recipients, it would make it very likely that after December 12, the Federal Government would be unable to make full or timely payments for a wide variety of Government obligations, including interest on the public debt, Medicare, Medicaid, military pay, certain veterans' benefits, and payments to Government contractors.

As I have said clearly and repeatedly, the Congress should keep the debt limit separate from the debate over how to balance the budget. The debt limit has nothing to do with reducing the deficit; it has to do with meeting the obligations that the Government has already incurred.

Nevertheless, Republicans in the Congress have resorted to extraordinary tactics to try to force their extreme budget and priorities into law. In essence, they have said they will not pass legislation to let the Government

pay its bills unless I accept their extreme, misguided priorities.

This is an unacceptable choice, and I must veto this legislation.

The Administration also strongly opposes the addition of extraneous provisions on this bill. Items like habeas corpus and regulatory reform are matters that should be considered and debated separately. Extraneous issues of this kind have no place in this bill.

The Congress should pass a clean bill that I can sign. With that in mind, I am sending the Congress a measure to raise the permanent debt limit to \$5.5 trillion as the Congress called for in the budget resolution, without any extraneous provisions.

William J. Clinton

The White House
November 13, 1995.

Message to the Congress Transmitting Temporary Public Debt Limit Increase Legislation

November 13, 1995

To the Congress of the United States:

In disapproving H.R. 2586, a bill that would have, among other things, provided for a temporary increase in the public debt, I stated my desire to approve promptly a simple increase in the debt limit. Accordingly, I am forwarding the enclosed legislation that would provide for such an increase.

I urge the Congress to act on this legislation promptly and to return it to me for signing.

William J. Clinton

The White House,
November 13, 1995.

Remarks to the Democratic Leadership Council

November 13, 1995

Thank you very much, Senator Lieberman, for your work, your example, and your wonderful introduction. You know, I knew 25 years ago when I worked for that guy that I'd have a big payoff some day. [Laughter] Thank you, Al From, for your long and de-

voted work for the DLC, to you and all the other staff members, to the other leaders of the DLC who are here, my good friends Senator Robb and Governor Romer. I see Congressman McCurdy and others in the crowd who have worked so hard for this organization for so many years.

A week ago today I was in Israel, representing America at the funeral of Prime Minister Rabin. As I reflected on the terrible events that took his life, it was clear to me, again, how in the world of the global village, the post-cold-war world, the information technology age, we are both coming together and coming apart. Precisely because Prime Minister Rabin tried to unite his portion of the world in peace, an assassin took his life.

Last night I went to Ford's Theatre for its annual benefit performance. And as I looked at the balcony where President Lincoln lost his life to an assassin, because he was determined to preserve the Union and end slavery, I was struck by the fact that the entire history of our great land has been dominated by three great ideas: love of liberty, belief in progress, and the struggle to find common ground.

We have worked throughout this entire life of our country to make our motto, E Pluribus Unum, from many, one, more than a slogan; instead, a driving force of unity and of strength. We have now to face the fact that we cannot achieve the first two objectives, liberty and freedom or progress and prosperity, unless we can achieve the third, common ground.

We established in our country a Constitution and a rule of laws, limitations of powers, separation of powers, authority at the State and local level. All these things were designed to give us a way to resolve or differences in a lawful, reconciling manner so that we could preserve our liberty and always make progress. It's worked pretty well for us for well over 200 years now.

If you look at the world and the problems it faces and you look at home and the problems we face, it is clear that the responsibility of the United States today is to lead the world away from division, to show the world that the center can hold, that a free and diverse people, through democratic means, can form

a lasting union. This is the challenge of our time and our responsibility as Americans.

That is, in a larger sense, why you and I joined the Democratic Leadership Council. We knew that to keep America strong, the old ways of governing would have to be abandoned. We wanted a Government committed to standing up for the values and interests of ordinary Americans, a Government that offers more opportunity with less bureaucracy, that insists on responsibility from all its citizens, that strengthens our sense of community, the idea that we are all in this together and that everyone counts.

I ran for President in 1992 to restore the American dream for all our people, to bring the American people together, and to assure that America would remain the world's strongest force for peace and freedom, democracy and prosperity, into the 21st century. I have pressed that vision with a simple strategy rooted in economic growth, commonsense Government, and mainstream values. And my fellow Americans, this country is in better shape than it was 3 years ago.

Of course, we still have formidable challenges. But America is on the move. We passed our economic plan, and when we did, our critics said it would bring on a deep recession. But they were wrong. Today the economy is growing. The American people have produced 7½ million new jobs, a 15-year high in homeownership, an all-time high in new business formation, and the lowest combined rates of inflation and unemployment in 25 years. It is a good thing for the country.

A child born today has a better chance of going to college and getting a good job. It's a little easier for people to be good parents and good workers. The infant mortality rate is at an all-time low. Every day there are more opportunities for more Americans to tap into the technological marvels of the information economy and to build a prosperous future.

Commonsense Government is moving forward, thanks in no small measure to the DLC members who have come to work at the White House. According to the Office of Management and Budget this morning, there are now 200,000 fewer people working for the United States Government than on the

day I became President. And I might say, almost no Americans have noticed that for two very good reasons. One is, as an employer the United States treated the Federal employees with dignity and respect, with genuinely good severance packages and early retirement packages. And I am proud of that. We didn't just throw those people into the street. The second is that the Federal employees who stayed behind working for you are doing more with less, and they deserve our respect and appreciation. If no one noticed that 200,000 are gone, it's because those who are left are doing their jobs better. And I'm proud of that.

It is not only true that we are now moving quickly to the smallest Federal Government we have had since President Kennedy was here, but listen to this: Today, Federal employees are a smaller percentage of the civilian work force than at any time since 1933, before the New Deal. That is an astonishing statistic. Does it mean that Government still never does anything it shouldn't or that there's never a regulation that doesn't make sense? No, it doesn't, but it means that the Democrats have taken the lead in reducing the deficit and reducing the burden of unnecessary Government, while keeping a Government strong enough to advance our values and our interests. That is our mission, and we are achieving it, and you should be proud of it.

This country is stronger and safer. For the first time since the dawn of the nuclear age, there is not a single nuclear missile pointed at an American child. And from Northern Ireland to Haiti, to the Middle East, the United States is leading the world to peace.

Now, we are working for peace in Bosnia, to stop the slaughter of innocents, to prevent the war from spreading, to bring real peace to Europe. Our military might, through NATO, stopped the Bosnian-Serb attacks on the safe areas. Our mediators helped the parties to reach a cease-fire and agree on principles of a settlement and now to come to Dayton, Ohio, to forge a lasting peace. If this peace is achieved, my fellow Americans, our responsibility does not end, for NATO must help to secure it, and as NATO's leader, the United States must participate.

The war of ethnic and religious hatred in Bosnia strikes at the heart of our ideal. It's the sort of thing that led to hatred in the hearts of people in the Middle East and cost Prime Minister Rabin his life. It's the sort of thing that cost Abraham Lincoln his life. We have to—we have to, stand against this.

It's convenient now to forget, but there was a time when Bosnia, too, found unity in its diversity, when Sarajevo was one of the most beautiful and peaceful, multiethnic cities in all of Europe. It can happen again if we stand up for our principles and stand up for our interests, if we are willing to be leaders for peace.

That responsibility extends to the other threats in the world today that are related to racial and ethnic and religious divisions, especially to terrorism. Just this morning, the terrorist attacks against American citizens in Saudi Arabia provided a brutal reminder that our people are not immune, not immune here at home as we learned at the World Trade Center and Oklahoma City and not immune abroad.

Our thoughts and prayers are with the victims and their loved ones at this time of their loss. We owe it to them and to all of our citizens to increase our efforts to deter terrorism, to make sure that those responsible for this hideous act are brought to justice, to intensify and pressure the isolation of countries that support terrorism. And we must spare no effort to make sure our own law enforcement officials have what they need to protect our citizens. That's why, even before Oklahoma City, I sent legislation to Capitol Hill asking for additional resources to deal with the threat of terrorism. The Senate passed the bill quickly, but the bill has stalled for months and months in the House. I ask again for the House of Representatives to pass the antiterrorism legislation.

Just as we try to advance our principles abroad, we know we have, first and more importantly, to stand by them at home. Our Nation is coming together around traditional values even as we move forward economically and try to bring more common sense to our Government. All across America though they are still too high, the American people should know that the crime rate is down, the welfare rolls and food stamp rolls

are down, teen pregnancy has dropped for 2 years in a row, and for the first time in more than a decade, the poverty rate is down.

We still have a lot to do; you know that better than anyone. And I encourage the development of the new ideas that you are pushing, how you are going beyond what we are advocating now in the GI bill of rights and tax benefits for child rearing and education. I encourage this project.

There are still too many people who are in trouble. There are too many young people without parents or others to teach them right from wrong who are turning to drugs and to violence. There are too many places in our country that still have both too little opportunity and too little responsibility. But we are coming together.

And I'm proud of what we did in the administration with welfare reform efforts to support 35 States, with the crime bill that Senator Lieberman mentioned, with a 40 percent increase in child support collections, and a cut in the student loan default rate by 50 percent since this administration took office. I am proud of that.

My fellow Americans, we have to see this debate about the budget in the context of the remarks I have just made. This is a very great country. No one is so well-positioned for the 21st century as the United States, as long as we stick to our strategy of economic growth, commonsense Government, and mainstream values. There is no country so well-positioned.

But we now have to make a fundamental choice. In 1992, most voters believed the choice was between an active approach to our problems and a more passive one. Today in the budget debate you see two very different active approaches to America's challenges. We face a choice that will be a test of our values, a test of our vision, a choice that goes to the very heart of our identity as a nation and to the very core of the future we will chart.

What is the vision of the congressional Republicans as manifest in their budget? Their budget would render our Government incapable of supporting our values and advancing our common interests. It is bereft of the simple understanding that we rise or fall together. They would support policies that

would make us far more a divided, winner-take-all society, a community with fewer connections and less common purpose, in which we say to all Americans without regard to opportunity or obligation, fend for yourselves.

Ours is a vastly different vision. We know Government cannot do everything. We know there is not a program for every problem. We know we should not ask Government to do for people what they ought to be doing for themselves. We know more must be done at the State and local level and in partnership with private citizens. But we know our Government has fundamental responsibilities to lead, to act, to move forward.

We know that the Government of the 21st century must be a constant challenge to our people to seize opportunities and assume responsibilities. We know that, above all, we must give people the tools, the skills, the opportunities they need to make the most of their own lives, not through a one-size-fits-all, old-style bureaucracy but by liberating the creative energies of millions and millions of Americans in their homes, their businesses, their schools, and their communities. This must be the vision that animates our Nation. We don't want a winner-take-all society. We want a society in which all have a chance to win together.

I think it is very important that you understand that this great debate in Washington is not, is not, about balancing the budget. It is about balancing our values as a people. The American people want and deserve a balanced budget. Since I took the oath of office, we have cut the Federal deficit in half. And listen to this: When I became President, we had the highest deficit we've had ever. And the prospect was for it getting larger. Today, today, the United States of America has the smallest deficit of any industrialized country in the world except Norway. Every other country has a deficit that is a larger percentage of its income than we do. You should be proud of that, my fellow Democrats, and I am, too.

Five months ago, I proposed a balanced budget that eliminates the deficit, cuts hundreds of wasteful and outdated programs, but preserves Medicare and Medicaid, invests in education, technology, and research, protects

the environment, and defends and strengthens working families. And it maintains the ability of the United States to lead the world toward peace and freedom and democracy and prosperity. My budget reflects those values and fulfills our interests. The Republican congressional budget simply does not.

I believe we have a duty to care for our parents so that they can live their lives in dignity. That duty includes securing Medicare, slowing the rate of growth of inflation, protecting our senior citizens and giving them every opportunity to maximize the options that are out there.

But the Republican budget rests on massive cuts, 3 times bigger than any previous ones in our history, designed apparently to let the system wither away. We believe our children should have the opportunity to make the most of their own lives. We think schools should be run by teachers and principals, not by bureaucrats in the central office or in Washington, DC. But the Republican budget slashes college scholarships and college loans, funds to cut class size and provide computers, and rewards schools which agree to be held accountable for meeting the highest standards, in direct contradiction to the work that Democrats and Republicans have done to establish national education goals, high standards, and more accountability, the things that Governor Romer has led this country in for 5 or 6 years. The last Congress was supporting that direction; this budget would undermine it.

We believe we have a duty to preserve God's Earth for future generations. We are committed to reform so that environmental protection doesn't trap business in a tangle of redtape. And indeed, we are now reducing by 25 percent the time businesses have to spend in filling out compliance forms with the EPA. But we must not—we must not, abandon our commitment to clean air, clean water, safe drinking water, safe food. These things are at the core of the quality of life we owe to ourselves and, most important, to our future.

And we believe, as Senator Lieberman says, that we should not tax working people into poverty. The working family tax cut is something the DLC supported for years. But I want to make it clear that we were building

on an idea supported by Republicans at least as much as Democrats.

President Ford signed the earned-income tax credit into law. President Reagan said it was the best antipoverty program ever designed because it rewarded work. It was increased under President Bush. The DLC idea was simple. We would simply double it so we could say to everybody in America, "If you are willing to work 40 hours a week and you have children in the home, you will not be in poverty. Therefore, there is no incentive to be on welfare. Move to work. Your tax system will not put you in poverty; it will lift you out of it." That is what we did, and it was the right thing to do.

Now, the Republican budget would cut the tax credit by even more than we raised it, raising taxes on 17 million working families, rising to an average of \$574 a year for families with two or more children. If you've got a breadwinner out there trying to feed two children on \$12,000 a year or \$13,000 a year, \$574 is a lot of money. And it is wrong, and I will fight it.

I support a balanced budget, but I oppose the Republican budget plan. I had looked forward to working with this Congress to achieve a balanced budget consistent with our values and consistent with our obligation to keep this economy growing. This week, instead of following a path of reconciliation, they have gone their own way and brought the Government to the brink of two serious problems.

They're following a strategy announced by the Speaker last April. In an unprecedented move, they have passed one bill and sent it to me and apparently are about to send another that say that we will keep the Government going and we will raise the debt limit so America can meet its financial obligations, if and only if, we can in this interim legislation increase Medicare premiums on all senior citizens by 25 percent, have deep cuts in education and the environment, and repeal 30 years of bipartisan Republican and Democratic commitments to protect the environment and the public health in ways that will increase pollution and decrease support for clean air, clean water, and safe food. This is irresponsible, and it is wrong.

For example, if Congress forces the Government to default on its obligations and interest costs rise, they will rise for Government, thereby undermining the ability of the Republicans to meet their balanced budget targets. One-tenth of one percent interest rate increase adds \$42 billion to the deficit over a 10-year period. But interest rates would also rise for businesses and for the 10 million American homeowners whose variable mortgage rates are tied to Federal interests rates and for consumers.

Here we are trying to drive interest rates down so we can keep the economic recovery going. That is what we should be doing, not putting a ball and chain on every American who is trying to soar in the global economy.

The Republican Congress has said to me with brutal simplicity, "You will sign our cuts in Medicare, education, the environment, or we will shut the Government down. You will agree to support our budget and all of its major elements. You will agree to support what we have called regulatory reform, repealing 30 years of bipartisan commitment to a clean environment and a safe food supply or we will push the Government into default."

Well, America doesn't respond very well to those kind of pressure tactics. It's no way to find common ground. So this morning, just before I came here, I vetoed their bill on the debt ceiling. *[Applause]* Thank you very much. I did not relish doing this. My job as President is to take care of the American people. And I have done my best to take good care of this country. We are safer. We are more secure. We are more prosperous. We have a Government that helps more and costs less in the last 3 years. That is what I am for America.

But in the end, what we stand for, the values we embrace and the things we fight for will shape the future that we will all live with. I will do everything I can to minimize disruption in these next several days. There are limits to what we can do until Congress does its job and allows us to resolve our budget differences in a forthright manner.

But I was elected President to restore the American dream for all of our people, to keep our Nation the strongest in the world and to bring our people together. I cannot

and will not, under pressure sign a budget that will rob the American dream for millions of Americans, divide our people instead of uniting them, and undermine our ability to remain the strongest Nation in the world and the greatest force for those things we believe in.

You have to understand what is going on here. The strategy that was adopted and announced last April was to precipitate this crisis in the hope of forcing me to accept the budget and the other priorities in their contract. They have not done the normal work of budgeting.

Here we are, 6 weeks into the new budget year, 6 weeks into the new budget year, and this Congress has only passed 3 of the 13 required budget bills. The Senate and the House have each passed balanced budget plans, which I find objectionable but which are different from one another, and they have not met, resolved their differences, and sent it to me.

The Founding Fathers set up a system to deal with this. The Congress passes bills. The President signs or vetoes them. Then the Congress can either override the veto or work with the President to find a bill that either the President will sign or they can get two-thirds of the Congress to support so they can override the veto. That is the wisdom of the Founding Fathers. This strategy is nothing more or less than an attempt to evade that system.

As long as they insist on plunging ahead with a budget that violates our values in a process that is characterized more by pressure than constitutional practice, I will fight it. I am fighting it today. I will fight it tomorrow. I will fight it next week and next month. I will fight it until we get a budget that is fair to all Americans. *[Applause]* Thank you.

And let me say to you that I am honored to have been given the opportunity to wage this contest, to stand up for the values and the interests of ordinary Americans. And I ask you to think about this, as I close, in two ways. This struggle is about things that the Founding Fathers knew we would always have to face, so it is as old as our history. It is also about our challenge as Americans and as leaders in the world moving to the 21st century.

Our Founding Fathers had this dream that people of different religious backgrounds and beliefs could build a strong nation together. They knew it was flawed. Thomas Jefferson knew it was flawed on slavery. But they set up a system where we could just keep working on it, year-in and year-out, decade-in a decade-out, as we work through the problems and became better and fashioned a life that was a purer and purer and purer example of the values which they enshrined.

We are now called upon to be faithful to the vision of our Founders: the vision that Andrew Jackson had that true and lasting prosperity rests on equal opportunity for all and special privileges for none; the wisdom of Abraham Lincoln that a house divided against itself cannot stand; the wisdom of Theodore Roosevelt that the heritage of America is in no small measure the heritage of the natural resources and bounty that God gifted us with here in our own land.

This is also the challenge of the modern times. The forces of integration which offer so much hope are pitted against the forces of disintegration: the people who killed Americans in Iraq; the fanatic who killed that brave and good Prime Minister in Israel, our partner for peace; the people who everywhere would sow discord over harmony.

At the end of this month, I hope I will be going to Great Britain and to Ireland to do what I can to continue to further the peace process there. How many people have died in Ireland in the 20th century because of hatred and division—religious hatred and division? In his great poem, “The Second Coming,” about the Irish civil war, William Butler Yeats said this: “Things fall apart. The center cannot hold. Mere anarchy is loosed upon the world. The blood-dimmed tide is loosed, and everywhere the ceremony of innocence is drowned. The best lack all conviction, while the worst are full of passionate intensity.”

My fellow Americans, we have worked too hard for too long to bring our country to this point. If we have our convictions and we stand for them firmly, reasonably, responsibly, if we hold out our hands in cooperation but always stand up for what we know is right, this country's future will be even

brighter than its brilliant past. It is our responsibility to make that happen.

Thank you, and God bless you all.

NOTE: The President spoke at 10:50 a.m. at the Washington Convention Center. In his remarks, he referred to Senator Joseph Lieberman, chairman, and Al From, president, Democratic Leadership Council.

Teleconference Remarks to the New England Regional Health Care Conference

November 13, 1995

The President. I want to thank you for joining me on the conference call to talk about the proposed Medicare and Medicaid cuts in the congressional budget. And I want to apologize for not coming to Lawrence Memorial today, but I know you understand why I couldn't come.

Let me just begin by emphasizing again, the answer is not—excuse me, the question here in Washington we're debating is not whether we will balance the budget but how. I've been working for 3 years to eliminate this deficit, and we've gone from having one of the largest deficits in the world to the point now where our budget deficit today is the smallest of any industrialized nation in the world as a percentage of our income, except for Norway. Every other country has a higher deficit.

So I want to finish the job. But it seems to me clear that if you look at how the American economy is doing and if you look at how we're beginning to come to grips with some of our most serious social problems, under the system we're now operating under, it would be a great mistake to have a dramatic departure that would eliminate the deficit by undermining our values and our interests, including our obligations to our parents and our children in the area of health care.

So I want to balance the budget. I want to strengthen the Medicare Trust Fund. But I don't want to destroy Medicare or Medicaid. And that's what I want to emphasize today. I believe that the proposed congressional budget, with \$440 billion in reductions in Medicare and Medicaid over the next 7 years, would have quite harmful con-

sequences. Eight million Americans could lose their Medicaid coverage. People on Medicare will be forced to pay more, whether they can afford it or not. And the people who choose to stay in the Medicare program may have a program that doesn't meet their fundamental needs.

And of course, I'm very worried about what's going to happen to hospitals and nursing homes, teaching hospitals, children's hospitals. These are the concerns that I have. And what I wanted to do today in person with you we'll now have to do over the telephone, but I want to just give all of you the chance to just specifically talk about, from your personal experience, what do you think is likely to happen here. And we'll start with our host, Charles Johnson. And let me again apologize for not being there with you. But I appreciate you taking this call, and I'd like for you to go first and comment.

Charles Johnson. Well, thank you very much, Mr. President. I appreciate that, and needless to say, we were very disappointed that you weren't coming, but we certainly understand.

The President. Give me a raincheck.

[At this point, Mr. Johnson, president, Lawrence Memorial Hospital of Medford, thanked the President for his leadership on health care issues and explained how proposed Medicare and Medicaid cuts would affect the hospital and its patients.]

The President. Well, thank you, sir. I just wanted to emphasize a couple of things, since you said what you did, that the medical community, the health care community in America has recognized that we can't go on for another 10 years with the costs of Medicare and Medicaid going up as much as they have in the previous 10 years.

On the other hand, as you know better than anyone, there are changes now occurring every day which are bringing the inflation rate down. Last year, for the first time in a decade, private insurance premiums went up less than the rate of inflation. And if together we can continue to manage these changes in a responsible way, then the inflation in health care costs will come down, but they will come down as people in the health care sector of our economy learn to cope and to find other options for dealing with these

problems so that we won't say, "Well, we're going to cut an arbitrary amount of money, and we don't care about the consequences."

That's what our plan is focused on. It's focused on giving people more choices, more options, including giving hospitals and doctors the options to do some more participation in managed care options. But I also think we have to leave these seniors with a good, vital, vibrant Medicare program that operates in the way the present one does. After all, it has lower administrative costs than any private insurance plan, and the inflation per Medicare recipient has not gone up more than the general rate of inflation in health care.

So I think we need to give you the chance to keep dealing with and implementing the changes that we've got. We need to give you some more options. But I think you've made it clear that, just to pick an arbitrary number like this without any knowledge that it can be reached is a hazardous undertaking.

Mr. Hall?

Philo Hall. Yes, Mr. President.

The President. Perhaps you'd like to comment. I know that you live in a State like my home State that has an awful lot of people in small towns and rural areas. And I can tell you from 15 years of experience, I know what a hard time real hospitals had just staying open in the eighties and meeting all of the needs of their people, and I know what kinds of changes you must have already undertaken. But perhaps you could talk a little about the impact of Medicare and Medicaid on your hospital.

[Mr. Hall, president, Central Vermont Medical Center, Berlin, VT, explained that Medicare and Medicaid pay about 75 percent of the hospital's costs and the proposed cuts would force the hospital to make drastic changes, including increased cost-shifting, to avoid closing.]

The President. Thank you very much. You've made a very important point that I want to emphasize because I think it's been lost in this debate a little bit over the understandable concentration of what's in the Federal budget, and that is that if we move too far too fast and we put a lot of these hospitals at risk, one of two things is going to happen.

Since there are plainly limits to how much more money can be taken out of the Medicare and Medicaid population, either the hospitals won't have the money they need to stay open and they'll close, which will cause a lot of disruption and a cost to our society far greater than any benefit to these cuts, or you will have to cost-shift onto people with private insurance, which will aggravate a problem that already exists where a lot of private employers and their employees are paying more than they should today.

And if that happens, in the end that's a defeating strategy, too, because as I'm sure you know, we have a million Americans a year in working families who are losing their health insurance because their employers can't afford to maintain it. Now that we have inflation coming down in private health insurance premiums and we've got—we're trying to steer more and more of the smaller employees into big buying pools so they can buy competitive insurance at competitive rates, it would be a terrible mistake to do something that we know will accelerate the number of Americans losing their health insurance.

This is the only advanced country in the world where more people are losing their health insurance every year and there are a smaller percentage of people who are non-seniors—that is, who don't have Medicare—smaller percentage of people with health insurance today than there were 10 years ago. And I really appreciate your saying that because that's an important thing that we've lost too much. This is not just something that will affect the senior population or the poor. It will affect the middle class who have health insurance for the very reason you said. And I appreciate that.

I'd like to go on now to Barbara Corey, who is a senior activist with the Quabbin Community Coalition in Petersham, Massachusetts. And Barbara, you're on the line——

Barbara Corey. Yes, I am, Mr. President.

The President. ——and I wish you would talk to us about what you think the impact

of these cuts will be on the people you represent.

[Ms. Corey stated that most Medicare and Medicaid recipients are hard-working people who need a helping hand but that tax breaks for the wealthy and cuts in these services would have a detrimental effect on hospitals and patients.]

The President. Thank you very much. I'd like to just sort of emphasize one of the things you said there, and that is that I don't think many Americans yet, unless they have parents who relied on Medicare and Medicaid, have really grasped the fact that there are an enormous percentage of these seniors out here who have a decent life——

Ms. Corey. That's right.

The President. ——on a low income, only because of Social Security and Medicare——

Ms. Corey. That's right.

The President. ——and that we have to make sure that as we lower the rate of increase in Medicare that we're doing it in a fair way. And \$400 a month is not a lot to live on, but there are—there are not just a few, there are millions and millions of seniors out there living on that.

Ms. Corey. That's right. That's right. Good people. And real people.

The President. And their children.

Ms. Corey. Absolutely. And you're right when you talk about the fact that it's all the generations. It's the elderly population's children that are going to be devastated by this as well. It's a tough time.

The President. It is a tough time. But the other thing I'd like to emphasize on this is that we don't have to do this. That's another thing I'd like to say.

Ms. Corey. That's right.

The President. We are succeeding in slowing the rate of medical inflation.

Ms. Corey. Exactly.

The President. Creative people, not the government but all these creative people out here working together, in the hospitals, in the nursing homes, are finding ways to lower costs. We can do this. But if we go too far too fast, we're going to hurt not just the elderly, but we're going to hurt their children and their children's children. You think about all the middle class children of these folks in the nursing homes, just for example, or

the—*[inaudible]*—premiums double. All the money they then have to give to their parents is money they won't be able to invest in their children's education.

So this is not just an elderly issue. This is an issue for all Americans, and it's not just a poor person's issue, it's a middle class issue.

Ms. Corey. Exactly, exactly. And I'm grateful to you for the concerns that you're showing.

The President. Thank you so much.

I'd like to ask Alan Solomont, whom I've known for some years now and who does a very good job in running a significant number of nursing homes, to talk a little bit about the impact of these cuts on his employees and perhaps on the quality of service that the patients get.

What do you think is going to happen with the Medicaid cuts? We've heard a lot about Medicare and not so much about Medicaid, perhaps because the program's not as familiar to the American people, so maybe you could talk a little about that, Alan.

[Mr. Solomont, president, ADS Group, Andover, MA, explained that proposed cuts would adversely affect middle class families who depend on Medicaid to help them take care of their elderly parents, as well as causing the quality of care in nursing homes to decline and many employees to lose their jobs.]

The President. Thank you very much. And I want to thank you and your employees, through you, for the quality of care you are providing. You know, I'm old enough to remember now—and I've been involved in public life for about 20 years now—I remember what nursing homes were like when there was no Medicaid investment and no standards. And we've seen a combination of appropriate standards and better investment over the last 20 years and a dramatic increase in the professionalization of the care in nursing homes. And that's something, I think—I'd just like to ask all of our countrymen and women who are old enough to remember this, to remember what it was like before this sort of thing happened.

And we now have—we're a fortunate nation. We're getting older. We're living longer. We can look forward to longer lives. But the fastest growing group of Americans are peo-

ple over 80. And there is no quick or easy way to avoid the fact that we need to be providing adequate, appropriate levels of care. And as you well know, a lot of people in nursing homes have done all kinds of things to be more efficient, forming partnerships with hospitals, having boarding homes, doing more—sometimes doing more home health care. But in the end, there are people who need to be in the homes, and they need to be properly cared for.

I also appreciate what you said about the people you're hiring. The Republican Congress and I, we both say we want to move more people from welfare to work. If you look at the realistic options for moving people from welfare to work, among those are in the caring profession, particularly moving into nursing homes, or on the other end of the age spectrum, into child care, into helping our young children.

When I was Governor, I sponsored a whole program to try to create more child care training slots and put child care centers in our training schools so that—our technical schools—so that welfare mothers could begin to get jobs there, and then the nursing homes were hiring them when they got out of the training program.

These are the kinds of things that we have to do. So if we expect to have welfare reform, we have to have jobs for these people when they get out. And we need these jobs in the caring professions. And we will need more of them, not fewer of them, as time goes on.

There again, I would say, that's why you don't want to cut too much too fast before you know what the consequences will be, because we do not know—these budget numbers were basically plucked out of thin air once they decided that they were going to have a 7 year balanced budget with unrealistic economic assumptions and a \$250 billion tax cut. And we—that is not—we ought to put health first and say, how are we going to lower the rate of inflation? That's what I tried to do in the budget that I presented.

So I thank you for what you said, because I think it's important that people focus on these employees as well as on the fact that, you know, this budget will not repeal demographic trends in the United States.

Mr. Solomont. That's right.

The President. People over 80 continue to be the fastest growing group of our population.

Mr. Solomont. Absolutely.

The President. Mr. McDowell?

[Donald McDowell, president, Maine Medical Center, Portland, ME, explained that cuts in Medicare and Medicaid would jeopardize community access to health care. He then stated that the health care industry must be given the freedom to restructure the health care system and that the State of Maine must receive financial assistance to attract medical students who would later practice in the State.]

The President. Thank you. I'd just like to make two comments, one hopeful and one sort of on the lines we're talking about here. The hopeful comment is that I do believe this is one area where we can reach agreement with the Congress. I have long advocated changes in the present law which would permit doctors and hospitals to have the flexibility they need to establish their managed care networks and to provide the most cost-effective direct way to provide these kinds of services to patients. So I think that in the end, we might be able to get some very good legislation on that, and I am encouraged by that. I do think that we'll have broad agreement on that.

But again, I go back to the point you made about doctors staying where they're trained. It's not just that. You know, in my rural State when I worked for years and years to get doctors out all across the State and we had all kinds of regional educational programs and outreach programs and rural training programs, we also found that doctors simply would not stay where they did not have adequate support.

So if there is no hospital, if they don't have that clinical support, if they don't have the things that make it possible for them to know they can succeed in family practice, you may wind up with a serious doctor shortage no matter where you train them. And so, that's another argument for making sure that before we just kind of jump off a cliff here, we know exactly what we're doing and that we're going to have the necessary physician network out there in rural America.

Mr. McDowell. I think those that say that we have too many doctors in America need to visit Aroostook County, Maine.

The President. You've got it. No rural resident of the United States believes that we have too many family practitioners in this country and out there serving people, and I appreciate you saying that.

Mr. MacLeod?

[Leslie MacLeod, president, Huggins Hospital, Wolfeboro, NH, explained that proposed Medicare and Medicaid cuts would have a great impact on New Hampshire hospitals and the surrounding communities. He then stated that senior citizens, who have worked hard to build the nation, should not bear the major burden of cutting costs.]

The President. Thank you for making that point. You know, I just have two observations about what you just said. First of all, I have been impressed by the extent to which seniors all over the country are willing to do their part to try to help this country slow the rate of medical inflation and make sure that we have money to invest in education and technology and the future of the country. But they just don't want to be asked to jump off a cliff, to go into a forest with no path to the other side. And that's what I think we're all concerned about.

When I went to Florida a few weeks ago, I was so impressed by the willingness of the seniors there to try to, based on their own personal experience, to suggest ways that we might reduce costs. But no one, no serious student of this subject believes that cuts of this magnitude can be absorbed without serious adverse consequences, both to the seniors and the health care system. And I think that's—you have articulately said why that's not fair.

The other point I want to emphasize—because there will be people all across America who will read about this—is that these comments are coming in part from people who come from the three northeasternmost States in our country, Maine, Vermont, and New Hampshire, where Yankee frugality is still alive and well, where people don't want a big Federal Government, where they want the budget balanced, where they expect us to stop wasting money. But it's important that

we recognize that Yankee frugality is something that is consistent with living by basic values.

And I want to say again, we've reduced the size of this Federal Government by 200,000 people since I've been President. And as a percentage of the civilian work force, your Federal Government is now the smallest it's been since 1933, as a percentage of the work force. We are bringing down the Government. But we're doing it in a disciplined way that has—frankly, almost no one in America has noticed that we've downsized it this much because we've done it in a way that enabled us to maintain services with higher productivity and to treat the Federal employees who left our Federal service with dignity and honor.

That's the way we ought to approach the health care issue. We ought to be able to slow the rate of inflation in ways that people won't notice because we will do it at a pace and in a way that will continue to enhance the quality of health care and meet the challenges that we face. And I think that's what you're all telling me. You think you could do it if people don't throw an arbitrary number at you that no serious student of health care believes can be absorbed.

There's one serious issue we really haven't talked about yet, and I want Dr. Rabkin to rap up this conversation by dealing with that, the whole issue of medical education and how these programs have worked to further that.

[Mitchell Rabkin, M.D., president, Beth Israel Hospital, Boston, MA, stated that many Boston academic medical centers which have already reduced operating expenses and employment are concerned that future cuts would affect education, training, and research.]

The President. Thank you very much. Let me say that I believe that this is the one aspect of this debate that most Americans don't know about, that the Medicare and Medicaid programs over time have been used by the Congress to funnel some extra money to our teaching hospitals, our children's hospitals in the form of the disproportionate share payments, among others, to support medical education and to make sure that the patients are there for the young doctors to treat. And

I think that it would be fair to say that not more than 5 or 10 percent of the people in the United States would be aware of that; there's no reason they should be.

But when Congress decided to support medical education in this way, it served as a vital lifeline to keep our medical schools going and doing well and also meeting an important community need. And again, just to cut at this level in this way will really be a blow to the medical schools.

As you well know, we've tightened up on those payments in the last several years anyway. We've tried to practice certain economies. But to put what is clearly the world's finest system of medical education at risk I think would be a grave error. And that's another reason that I don't want to see cuts of this magnitude, because every, every American, even Americans who may never spend a dollar of the Government's money through the Medicare program and certainly may never be eligible for Medicaid, every American has a clear interest in having the best trained doctors in the world. And Medicare and Medicaid have contributed to that and need to be able to continue to contribute to that in an appropriate way. And I thank you.

Dr. Rabkin. Well, thank you, Mr. President.

The President. I thank all of you. I've enjoyed this conversation very much. I wish it had happened face to face. And I thank you for your concern and your interest. Just keep speaking up, keep going forward, and we'll keep working here to make sure that we do the right thing.

NOTE: The President spoke at 12:50 p.m. from the Oval Office at the White House to the conference at Lawrence Memorial Hospital of Medford, MA.

Statement on the Terrorist Attack in Riyadh, Saudi Arabia

November 13, 1995

This morning's attack in Riyadh against an American facility is an outrage. Our condolences and prayers go out to the victims and their families. We appreciate the speed and professionalism with which Saudi authorities

have responded to this emergency and will work closely with them in identifying those responsible for this cowardly act and bringing them to justice.

Statement on Signing the Energy and Water Development Appropriations Act, 1996

November 13, 1995

Today I have signed into law H.R. 1905, the "Energy and Water Development Appropriations Act, 1996."

I urge the Congress to complete action on the remaining regular FY 1996 appropriations bills and to send them to me in an acceptable form. Last year, the Congress had sent—and I had signed—all 13 appropriations bills by September 30th. Regrettably, this is only the third bill that I have been able to sign for this fiscal year.

The Act provides \$19.3 billion in budgetary resources for programs of the Department of Energy, portions of the Departments of Interior and Defense, the Army Corps of Engineers, and several smaller agencies. While the bill does not fully fund my budget requests in a number of programs, the bill provides important funding for many major programs in these agencies.

The bill supports the Administration's proposal to reinvent the Department of Energy to improve the way it serves the American people. The bill provides \$6.1 billion for a critical environmental mission to continue working cooperatively with States and all other interested stakeholders to clean up the Department's former weapons production facilities. The bill also fully funds my request for the Department of Energy's Stockpile Stewardship and Management program, assuring the safety and reliability of the nuclear weapons stockpile without nuclear testing. In addition, the bill provides full funding for one of my key science initiatives to enhance the operation and availability of the Department of Energy's science facilities, giving more researchers access to these facilities to conduct more basic and applied research. This is a modest investment that will leverage a significant return from the scientific community.

The enrolled bill provides \$4.0 billion for water resources programs at the Corps of Engineers and the Bureau of Reclamation—98 percent of the amount I requested. At the same time, the Congress added 14 unrequested Corps of Engineers new start construction projects that will require over \$1.1 billion in total Federal funds to complete, potentially causing delays in ongoing projects. I look forward to maintaining a dialogue with the Congress to formulate a mutually acceptable reinvention strategy for the Corps of Engineers.

I am particularly pleased that the Congress satisfactorily resolved sensitive language issues that the Administration was concerned about, including some cases in which language contained in earlier versions of the bill would have overridden environmental laws.

Again, I urge the Congress to meet its responsibilities by sending me the remaining regular FY 1996 appropriations bills in acceptable form.

William J. Clinton

The White House,
November 13, 1995.

NOTE: H.R. 1905, approved November 13, was assigned Public Law No. 104-46.

Message to the Congress Returning Without Approval Continuing Resolution Legislation

November 13, 1995

To the House of Representatives:

I am returning herewith without my approval H.J. 115, the Second Continuing Resolution for fiscal year 1996.

This legislation would raise Medicare premiums on senior citizens, and deeply cut education and environmental protection, as the cost for keeping the government running. Those are conditions that are not necessary to meet my goal of balancing the budget.

If I signed my name to this bill now, millions of elderly couples all across this country would be forced to sign away \$264 more in Medicare premiums next year, premium hikes that are not necessary to balance the budget. If America must close down access to quality education, a clean environment

and affordable health care for our seniors, in order to keep the government open, then that price is too high.

We don't need these cuts to balance the budget. And we do not need big cuts in education and the environment to balance the budget. I have proposed a balanced budget without these cuts.

I will continue to fight for my principles: a balanced budget that does not undermine Medicare, education or the environment, and that does not raise taxes on working families. I will not take steps that I believe will weaken our nation, harm our people and limit our future as the cost of temporarily keeping the government open.

I continue to be hopeful that we can find common ground on balancing the budget. With this veto, it is now up to the Congress to take the reasonable and responsible course. They can still avoid a government shutdown.

Congress still has the opportunity to pass clean continuing resolution and debt ceiling bills. These straightforward measures would allow the United States government to keep functioning and meet its obligations, without attempting to force the acceptance of Republican budget priorities.

Indeed, when Congress did not pass the 13 appropriations bills to fund the government for fiscal year 1996 by September 30, we agreed on a fair continuing resolution that kept the Government operating and established a level playing field while Congress completed its work.

Now, more than six weeks later, Congress still has sent me only three bills that I have been able to sign. Indeed, I am pleased to be signing the Energy and Water bill today. This bill is the result of a cooperative effort between my Administration and the Congress. It shows that when we work together, we can produce good legislation.

We can have a fair and open debate about the best way to balance the budget. America can balance the budget without extreme cuts in Medicare, Medicaid, education or the environment—and that is what we must do.

William J. Clinton

The White House,
November 13, 1995.

**Memorandum on United States
Relations With the Palestine
Liberation Organization**
November 13, 1995

Presidential Determination No. 96-5

Memorandum for the Secretary of State

Subject: Suspending Restrictions on U.S.
Relations with the Palestine Liberation
Organization

Pursuant to the authority vested in me by the Middle East Peace Facilitation Act of 1994, part E of Title V, Foreign Relations Authorization Act, Fiscal years 1994 and 1995, Public Law 103-236, as amended, ("the Act"), I hereby:

(1) certify that it is in the national interest to suspend application of the following provisions of law until December 31, 1995:

- (A) Section 307 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2227), as it applies with respect to the Palestine Liberation Organization or entities associated with it;
- (B) Section 114 of the Department of State Authorization Act, Fiscal Years 1984 and 1985 (22 U.S.C. 287e note), as it applies with respect to the Palestine Liberation Organization or entities associated with it;
- (C) Section 1003 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2502); and
- (D) Section 37, Bretton Woods Agreement Act (22 U.S.C. 286w), as it applies to the granting to the Palestine Liberation Organization of observer status or other official status at any meeting sponsored by or associated with the International Monetary Fund.

(2) certify that the Palestine Liberation Organization continues to abide by the Commitments described in Section 583(b)(4) of the Act.

You are authorized and directed to transmit this determination to Congress and to publish it in the *Federal Register*.

William J. Clinton

[Filed with the Office of the Federal Register, 4:20 p.m., November 20, 1995.]

NOTE: This memorandum will be published in the *Federal Register* on November 22.

**Statement on Action to Prevent
Default on the Public Debt**
November 15, 1995

The Republican Congress has failed to take responsible action to prevent default for the first time in our history and to ensure that the Government can meet its obligations, including paying next month's Social Security benefits. To prevent against default and all of its subsequent harmful consequences, my Secretary of Treasury has been forced today to take extraordinary but necessary actions. I won't allow the Republican Congress to force us into default or put Social Security beneficiaries at risk. If the Republican Congress won't take action to prevent default and protect Social Security recipients, I will.

**Proclamation 6850—National Great
American Smokeout Day, 1995**
November 15, 1995

*By the President of the United States
of America*

A Proclamation

Children are our Nation's most precious resource and most sacred obligation. And all of us—whether parents or guardians, teachers or coaches, ministers or rabbis, friends or government officials—can play a role in nurturing young people and working to ensure their future health and happiness. Our children look to us for guidance, and we must do all we can to provide them with examples of personal responsibility and good citizenship.

Yet, every day, some 3,000 young Americans become regular smokers, falling victim to negative influences and provocative advertisements and putting themselves at risk of the diseases caused by nicotine addiction. Nearly 1,000 of these children will die prematurely, joining the more than 400,000 Americans who lose their lives to tobacco-related illnesses each year. For a country so

deeply devoted to the protection of children, such numbers are a national tragedy.

Recognizing the vital need to reverse these devastating statistics, my Administration has proposed measures to limit children's access to tobacco products and to reduce tobacco's appeal. In seeking to protect our children, we join the countless caring citizens who are observing the "Great American Smokeout," a nationwide effort to raise awareness of nicotine addiction and the deadly risks associated with tobacco use. Working together on this day and every day throughout the year, we can create a brighter, healthier future for young Americans.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim November 16, 1995, as National Great American Smokeout Day. I call upon all Americans to join together in an effort to educate our children about the dangers of tobacco use, and I urge smokers and non-smokers alike to take this opportunity to begin healthier lifestyles that set a positive example for young people.

In Witness Whereof, I have hereunto set my hand this fifteenth day of November, in the year of our Lord nineteen hundred and ninety-five, and of the Independence of the United States of America the two hundred and twentieth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:46 a.m., November 20, 1995]

NOTE: This proclamation was published in the *Federal Register* on November 21.

Proclamation 6851—National Farm-City Week, 1995

November 15, 1995

*By the President of the United States
of America*

A Proclamation

When America was a new country, farms were many and small. Farmers and their families used most of what they produced, and the rest was usually sold locally. Even in

1862, when Abraham Lincoln created the Department of Agriculture, 60 percent of our labor force gained their livelihood on the farm.

Today, while less than 2 percent of American workers are actually employed on farms, thanks to new approaches and advanced technologies, our farmers feed not only the people of the United States, but also much of the world. Agriculture remains our Nation's number one industry, generating \$1 trillion in economic activity every year—over 15 percent of our gross domestic product—and it is our largest employer, providing 21 million jobs.

This prosperity is due in large part to farm-city partnerships. From the sowing of crops to the purchasing of food and fiber in urban supermarkets, a network of farmers, agribusiness industries, carriers and shippers, scientists, retail distributors, and consumers has cooperated to ensure that our food supply is safe, affordable, and nutritious. As we gather with family and friends during this special week, let us give thanks for the blessings of our lives, for America's agricultural richness, and for the collaboration among rural and urban communities that makes so much of this bounty possible.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim November 17 through November 23, 1995, as National Farm-City Week. I call upon citizens in urban, suburban, and rural areas throughout the Nation to acknowledge the achievements of those who work together to promote America's agricultural abundance.

In Witness Whereof, I have hereunto set my hand this fifteenth day of November, in the year of our Lord nineteen hundred and ninety-five, and of the Independence of the United States of America the two hundred and twentieth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:47 a.m., November 20, 1995]

NOTE: This proclamation was published in the *Federal Register* on November 21.

Proclamation 6852—National Family Week, 1995

November 15, 1995

By the President of the United States of America

A Proclamation

Blessed with an extraordinary diversity of people from every culture and nation around the globe, the United States has always drawn strength from our citizens' shared commitment to the importance of family life. The family is society's most basic unit, daily providing the acceptance, love, and reassurance that enable each of us to flourish and succeed. It creates the earliest and strongest bonds between individuals—bonds that we seek to build upon to improve our Nation as a whole.

Families are where we first learn important lessons about responsibility and where we absorb the ideals and traditions that define our unique American character. Yet we must do more to address the variety of troubles, such as substance abuse, domestic violence, and teenage pregnancy that have placed strains on the American family and threaten the well-being of our young people. At the same time, our efforts to combat crime and poverty cannot fully succeed until we rebuild our families and renew our commitment to their progress. A strong network of community, State, and national partnerships can also help families to face the challenges of everyday life.

This week, as young and old gather around the Thanksgiving table, it is crucial that we embrace and empower American families, offering them the opportunities they need to thrive and grow. Let us each take time to appreciate the value of our family relationships and rededicate ourselves to building essential ties of kinship among all people.

Now, Therefore, I, William J. Clinton, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim November 19 through November 25, 1995, as National Family Week. I call upon Federal, State, and local officials to honor American families with appropriate ceremonies and programs;

I encourage educators, community organizations, and religious leaders to celebrate the moral and spiritual strength to be drawn from family relationships; and I urge all the people of the United States to reaffirm their own familial bonds and to reach out to others in friendship and goodwill.

In Witness Whereof, I have hereunto set my hand this fifteenth day of November, in the year of our Lord nineteen hundred and ninety-five, and of the Independence of the United States of America the two hundred and twentieth.

William J. Clinton

[Filed with the Office of the Federal Register, 11:48 a.m., November 20, 1995]

NOTE: This proclamation was published in the *Federal Register* on November 21.

The President's News Conference

November 16, 1995

The President. Good afternoon. Today the Congress is considering a bill I find objectionable because once again it requires acceptance of the congressional Republican budget as a condition of reopening the Government.

Let me repeat: Holding the Government, the Federal employees and the millions of Americans who depend upon them hostage to the congressional Republican budget is not the way to do this work. And it won't work, because I will still veto any bill that requires crippling cuts in Medicare, weakens the environment, reduces educational opportunity, or raises taxes on working families.

I have proposed a plan to balance the budget without undermining Medicare and Medicaid, education, the environment, or working families' incomes. If I were to sign their 7-year plan, in effect, I would be approving these cuts. I won't do that because I believe it would be bad for America.

We must balance the budget in a way that doesn't weaken our economy or violate our values, including providing the opportunity for Americans to make the most of their own lives, helping families to grow stronger and to stay together, strengthening our communities and our country.

Congress should act responsibly and pass a straightforward legislation to open the Government and enable it to meet its financial obligations. They should do it right now. That's what Congresses in the past have done and that's what this Congress did last September.

The American people should not be held hostage anymore to the Republican budget priorities. So today I am sending Congress straightforward legislation that would reopen the Government without delay and without enacting into law the Republican budget.

We have to get to work on this in a serious way. I will work—I will work—with Congress in good faith to balance the budget. But I want to do it in a way that is good for America. It is not the fault of the Federal employees or the millions of Americans who depend upon them that Congress did not pass a budget for this fiscal year by October 1st, as required by its own laws. And it's time for the Republicans in Congress to stop punishing them for that.

This is a new experience for our country. Congress has never before shut the Government down for an extended period of time. I'm determined to do what I can to reduce the damage to our people. I'm especially concerned that every day 28,000 people apply for Social Security benefits, 10,000 people seek to enroll in Medicare, 7,500 veterans make claims for benefits they are owed.

I asked the Social Security Administration and the Department of Veterans Affairs to examine their operations and see if there are necessary services that can lawfully be provided to the public. As a result of this request, this coming Monday the Social Security Administration and the VA will recall to work additional staff to process applications and claims. If the Government shutdown continues to prevent action to accept applications for Medicare, Social Security, and veterans benefits made by seniors and veterans, this backlog would be so great that service to these citizens would not return to normal for months to come. Our elderly and veterans deserve better, and I believe we are permitted to do better under the law.

Finally, let me say again, let us reopen the budget—the Government. Let's reopen the

Government, and then get down to the business of balancing the budget in the right way.

Air Force One

Q. Mr. President, the Speaker has complained about the treatment that he and the other Republican leaders received aboard Air Force One on the flight to and from Israel. Is there any reason that he was treated as shabbily as he says he was? And is that reason for him to put forward a tougher CR than would have normally been the case?

The President. Let me, first of all, say, when, on short notice, the Speaker and Senator Dole, Senator Daschle and Leader Gephardt, two former Presidents, two former Secretaries of State, and 40 Members of Congress of both parties—when all of them agreed to go to Israel to Prime Minister Rabin's funeral, I was very grateful. It was a good thing for Israel, for the Middle East peace process, and for the United States. And I was deeply appreciative of that, and I told them that on the plane flight going to and from Israel repeatedly.

Now as to your question about whether that is a reason, I don't know. But it seems to be in the atmosphere these days in Washington that we are connecting things together that don't properly belong together. I can tell you this: If it would get the Government open, I'd be glad to tell him I'm sorry. But I was clear in expressing my gratitude to everyone for going. It was an arduous trip. It was hard on them. They did it on short notice, and I was very grateful. And I still think it was a very important thing that they did.

Basis for Budget Estimates

Q. Mr. President, all of the numbers that you're arguing about from the OMB and the CBO in the out-years are just educated guesswork anyway, aren't they, and if so, would you agree to balancing the budget in 7 years if some neutral arbitrator, someone with stature like the Fed Chairman, were able to mediate some agreed-on set of numbers?

The President. First of all, I'm not going to make any agreements to do anything that would require me to agree to reductions in Medicare, Medicaid, funds to meet national standards in our schools, or to provide Head

Start for our children or scholarships and college loans to people who need them and make the most of their own lives or to undermine the environment. It is clearly not necessary.

I would remind you that when I presented my 10-year balanced budget plan to Congress, which our own people say can now be achieved in 9 years, Chairman Greenspan said it was a perfectly credible budget. And I would also remind you, as Senator Conrad pointed out today with his charts, that if you look at what we did in 1993, we have outstripped what the Congressional Budget Office said we would achieve in our 5-year deficit reduction plan by well over \$100 billion.

So the methodology they are using is one no one accepts. And this is not one of those split-the-difference things. I split the difference between all the economic forecasts. I gave a very moderate and disciplined recommendation to the Congress based on the experts. I did not cook the books. Our growth figure for this budget is what the country has grown for the last 25 years. I cannot believe that the Congress seriously believes that if we balance the budget in the right way our economy would grow more slowly in the next 7 years than it has in the last 25 years. Why then would you estimate that? Because that enables you to cut more. I do believe that there is a controlling element with an ideological bias toward cutting education and the environment and making as many cuts as possible in Medicaid and Medicare. But I think that's wrong.

And so I can tell you, I have proved something that they have not yet proved. I have proved that we know how to balance the budget and grow the economy. It was our administration and the Democrats in the Congress that voted for the last deficit reduction plan that has given us the lowest deficit of any large economy in the world, the strongest economy in the world, and a growing economy. We have proved we know how to do it. I am not going to engage in any negotiations now that would possibly compromise the principles that I know are good for America.

Q. Mr. President, Speaker Gingrich has contended now that 7 years is the most effective time period to get a balanced budget.

He says he bases that on intuition. What's your current time target? You mentioned several different time targets over the weeks and months, and what do you base that estimate on?

The President. Well, first of all, if you go back to all my comments, with the exception of a comment I made in 1992 on the Larry King Show which we clarified within, I think, 2 days, what I have said is how long it takes to balance the budget obviously depends upon the assumptions you use and the other elements of the budget, how big will the tax cut be, for example. But I can tell you that we believe and we have said that we can implement the plan that I have put forward in 9 years.

What I did—the difference in the way we put our balanced budget together and the way they did is quite stark. That is we both had to have some estimate of how fast they thought the economy would grow and what we thought inflation and health programs would be. But they make it plain that they started with 7 years and started with their \$245 billion tax cut, and then decided at a totally arbitrary way how much they had to take out of Medicare and Medicaid and these other programs.

That's not what we did. We said, "We have to balance the budget in a reasonable period of time. Here's how much we think the economy will grow. Now, how much can we cut? How much can we slow the rate of medical inflation in these programs? What can we cut? How can we continue to cut these hundreds and hundreds of programs like we've been cutting for 3 years and still have the investments left we need in educational opportunity, in the environment, in technology and research, and in the health care programs?" That's how we did it.

So we think we balanced the budget consistent with our values and our economic interests instead of the other way around. And therefore—and when I entered into these negotiations that's the way I'll discuss it. There is no magic timeline. You know, if we had 3 percent growth the budget would be balanced more quickly than any of us calculate.

So this is a—to go back to the earlier question, it's important that the American people

understand that this is a multiyear balanced budget plan. The budget is done on a yearly basis. This is a balanced budget plan. And the only thing I want to do is to have a plan that balances the budget consistent with our values and our interests. And I don't think you can discuss one item in isolation with the others. It's not—you can't talk about 7 years in isolation from everything else, or—so we put together our budget from the ground up in the right way. That's the way I'd like for these negotiations to proceed.

House Democrats

Q. Mr. President, are you concerned that you lost 48 House Democrats on the vote last night, they voted with Republicans, putting Republicans within sort of spitting distance of being able to override your veto?

The President. No. I would have been concerned if they made enough for a veto override. But to be fair to those House Democrats, they did—their budget is much closer to mine than the Republican budget, except they don't permit any kind of tax cut at all for working families, for education and child rearing. And as you know, I would like to provide one.

But if you go back and look at what the House Democrats did, they have much lower Medicaid, Medicare, education, and environmental restrictions cuts than the Republican budget, and they do it by having no tax cut at all and a reduction in the CPI. So what they thought was that they ought to say we can do it within these frameworks, and we did it before so we want to own up to the fact that we did it before.

But they have no intention, those House Democrats, except for maybe just a handful of them, of supporting the Republican budget. The argument I was making is that their vote would be misinterpreted as an endorsement of the Republican budget framework, which it manifestly was not. So I'm satisfied with the vote and how it came out.

Budget Negotiations

Q. So how do we get out of this mess? Where do we go from here?

The President. Well, I will keep working to find a way to open the Government and permit the budget negotiation to continue.

But the American people just need to know, the Federal employees need to know that I believe I would be remiss in agreeing, in effect, to the Republican budget plan as a condition of reopening the Government.

I have demonstrated I want to balance the budget. I have demonstrated I am committed to deficit reduction. We endured a withering array of criticism from the House Republicans from which they benefited in '93 and '94 when they claimed we were going to bring on a recession. And we proved we could reduce the deficit and grow the economy. So I will deal with them in good faith. But I cannot agree to—on the front end, to their budget framework when I know what it really means is big cuts in Medicare, Medicaid, educational opportunity, and the environment. I can't do that.

Now, we will keep working with them in every way we know how, but I'm not going to be pushed into that position because—someone has to stand up here for what's right for America instead of for this exercise of political power.

Q. [*Inaudible*—there's no room for any compromise on your part, that there's no flexibility? I mean, usually in negotiations—

The President. No, there's—I didn't say that. I didn't say that. There are many elements in this budget which are variable. What I did say was, and what I will say again, is that I don't propose to negotiate away 60 to 70 percent of the budget simply to get a continuing resolution to reopen the Government. And that's what all this is about, an attempt to get the President to negotiate away a majority of what could be the basis for compromise.

If I ask you to compromise with me, and then you say, "I will compromise with you, but only if you give me 60 percent of what I want on the front end." Then we sit down, and we say, "Okay, let's split the difference." That's a good compromise. You split the difference between 40 percent. You wind up with 80 percent. I wind up with 20. That's what this resolution is all about. And no one should be confused by it.

And if we did it, it would be bad for America. I will not do something I know is bad for our country. That is my responsibility, to

try to make sure that all the interests of the country are furthered.

White House Travel Office Verdict

Q. Do you have anything to say, sir, about the acquittal of Billy Dale?

The President. I do. First of all, I think it's clear that there were some problems in the way the Travel Office was run, but there were also clearly some serious problems in the way it was handled by the White House. And all of you will remember we issued quite a self-critical report on how it was handled. And in light of that, I'm very sorry about what Mr. Dale had to go through, and I wish him well. And I hope that now he'll be able to get on with his life and put this behind him.

Q. Will you offer him a job?

Japan-U.S. Relations

Q. What about relations with Japan in the aftermath of your forcing yourself to cancel the visit to the APEC conference and the state visit to Tokyo?

The President. Well, I want to reschedule the trip and take it as soon as I can, because the Japanese-United States relationship is very important. We've had a big increase in our exports to Japan. We've negotiated 15 trade agreements with them, and in each one of these trade agreement areas we've had an even bigger increase in our exports. We're making progress in our economic relationship.

They are going through some tough times. If they weren't having some tough times, some of the things that we went through, frankly, back in the eighties—with their financial system, we'd even be doing better because they'd be doing better. We've had some issues to deal with in our security relationship, but it's still fundamentally strong. And I have the greatest respect for the nation and for its people, and I think all of us know that a strong U.S.-Japan relationship is critical for the world as we move into the 21st century.

So I called Prime Minister Murayama; we had a very good talk. I have already talked to two of the other APEC leaders, President Kim of South Korea, and President Soeharto of Indonesia. I expect at least to talk to the President of China, perhaps some others be-

fore the meeting. The Vice President is going to the meeting, and then we'll have a bilateral meeting with Prime Minister Murayama. So we're determined to keep this relationship on track.

I assured him that my absence from Japan has nothing to do with our relationship or my importance—the importance to which that I attach to it. So I think we'll be fine. But we need to—when you say you're going to go visit your neighbor and you have to cancel the visit, you have to reschedule and show up. And I intend to do it.

Thank you.

NOTE: The President's 106th news conference began at 3 p.m. in the Oval Office at the White House. In his remarks, he referred to Prime Minister Tomiichi Murayama of Japan; President Kim Yong-sam of South Korea; and President Jiang Zemin of China.

Statement on Signing the Department of Transportation and Related Agencies Appropriations Act, 1996

November 16, 1995

Last night I signed into law H.R. 2002, the "Department of Transportation and Related Agencies Appropriations Act, 1996."

I urge the Congress to complete action on the remaining regular FY 1996 appropriations bills and to send them to me in acceptable form. Last year, the Congress had sent me—and I had signed—all 13 appropriations bills by September 30. Regrettably, this is only the fourth bill that I have been able to sign for this fiscal year. The Congress has failed to send to me the bills that fund over 88 percent of the discretionary programs of our Government.

The Act provides \$36.9 billion in new budgetary resources for programs of the Department of Transportation and several smaller agencies. The bill is consistent with my request in most key areas.

I am particularly pleased that the Congress heeded my calls to increase funding for the Federal Aviation Administration's (FAA's) safety programs over what the Congress had originally proposed. The FAA manages the world's largest and safest aviation system.

Nevertheless, Secretary Pena and FAA Administrator Hinson are working to make it safer, both for today and the future. The bill's FAA personnel and procurement reforms, which the Vice President's National Performance Review first proposed, will contribute greatly to that effort. I encourage the Congress to move quickly on the rest of my comprehensive FAA reform package.

The FAA personnel and procurement reforms contained in the Act will contribute greatly to our safety effort. They permit the FAA to improve its hiring, training, compensation, and relocation practices to better meet its unique personnel needs. They also allow for streamlined contracting practices that will speed up the deployment of new technologies into the field. Both new systems will be developed with the participation of the aviation community, including FAA employees and their representatives. They will build upon, not diminish or redefine, FAA's current beneficial management-labor relationship. While we embrace the FAA personnel and procurement reforms in the Act, we will work with the Congress to ensure that personnel reforms enacted pursuant to any FAA reform legislation must be designed and implemented in consultation with FAA unions, consistent with their continuing role as the representatives of these key members of the Federal workforce.

I am also pleased that the Act provides the fast-track reorganization authority for the Department of Transportation, as I requested, because it will improve service while cutting costs to taxpayers. Secretary Pena and I look forward to working with the Congress as we reform and streamline the Department.

The Act provides funding for most of the Department's high-priority programs. I commend the Congress for not including new earmarked highway demonstration projects; States can better use these funds in determining their transportation infrastructure priorities.

I am disappointed that the Congress did not authorize the restructuring of transportation infrastructure programs, as I proposed, but I look forward to maintaining a dialogue with the Congress about how to best meet States' and localities' needs for flexibility to

address their future, high-priority transportation needs.

Again, I urge the Congress to meet its responsibilities by sending me the remaining regular FY 1996 appropriations bills in acceptable form.

William J. Clinton

The White House,
November 16, 1995.

NOTE: H.R. 2002, approved November 15, was assigned Public Law No. 104-50.

**Message to the Congress
Transmitting Legislation To
Compensate Furloughed Federal
Government Employees**

November 16, 1995

To the Congress of the United States:

In declaring my intention to disapprove House Joint Resolution 122, the further continuing resolution for fiscal year 1996, I stated my desire to approve promptly a clean extension of the continuing resolution that expired on November 13. Accordingly, I am forwarding the enclosed legislation that would provide for such an extension. This legislation also provides that all Federal employees furloughed during the Government shutdown through no fault of their own will be compensated at their ordinary rate for the period of the furlough.

I urge the Congress to act on this legislation promptly and to return it to me for signing.

William J. Clinton

The White House,
November 16, 1995.

NOTE: This message was released by the Office of the Press Secretary on November 17.

**Interview With NHK Television of
Japan**

November 17, 1995

President's Trip to Japan

Q. Thank you very much, Mr. President, for joining us. The Japanese people are great-

ly disappointed that you have suddenly canceled your visit to Japan. Was it really inevitable?

The President. Yes, it was inevitable. And let me begin by saying that I am greatly disappointed, more disappointed perhaps than I can even convey to you and through you to the Japanese people, to cancel this trip. My first overseas trip as President was to Japan. One of the first actions I took as President was to try to elevate the Asian Pacific Economic Council to a leaders meeting so that we could all work more closely together throughout Asia. And I have had many, many meetings and telephone calls with not only Prime Minister Murayama but his predecessors. When I ran for President, I said the Japanese-American relationship was of supreme importance to the United States. And so I am very, very disappointed.

But I would ask the Japanese people to understand what is happening here. We are having a debate here, which will have great implications for the United States for decades to come. And our Government is closed down for the first time in history for this length of time. This is unprecedented. So that if I were to leave the United States now, the American people, and particularly the employees of the Federal Government, would not understand how the President could leave the country while the Government was shut down and when the Congress might be passing bills to me that I would either have to veto, disapprove, or to sign.

I will go to Japan as soon as I possibly can. I look forward to rescheduling this trip. And I can only ask the Japanese people to understand that this has nothing to do with Japan and America's relationship and everything to do with the pressing emergency that I must now deal with.

Q. Mr. President, we all know that you will always come back, even to Japan.

The President. Thank you.

Q. But we would like to know exactly when you will be able to go there. January or—

The President. Well, I don't know. We have begun to look over the calendar. And I have talked this morning with the Vice President. I called him on the airplane. He's on his way—he's almost in Japan. And I talked with Ambassador Kantor this morning,

who is in Japan now, again, reaffirming my desire to come as quickly as possible.

As I'm sure you know, we're about to begin our Thanksgiving and Christmas season here, a major holiday time—the major holiday time in the United States. And then next year we begin the Congress in early January and all the Presidential primaries. But I will come as soon as I can. This is very, very important to me. And I want—I have conveyed my deep regrets to Prime Minister Murayama, and I appreciate his understanding.

But I—again, I want to say I hope the Japanese people will understand this is no expression of disrespect by me either to the Government or the people of Japan. As a matter of fact, my wife and I had looked very much forward to being with the Emperor and Empress again in the Imperial Palace because we had such a wonderful time with them when they visited us and stayed here. So I'm anxious to have that experience, and I'm looking forward to it.

Q. Any guesstimates as to when—like spring?

The President. I can't say. We're in the middle of this difficulty now, and we have to resolve—see our way through it. And I'm looking at the calendar. I will set the date just as soon as I can. I will come as quickly as I can. But I want to make sure we have a good visit and we have enough time to do it right. I think it's important when I do come that we have the time to do it right.

Q. But you're going to get busier and busier next year.

The President. Not necessarily. There will be certain down times in our schedule next year. And it doesn't matter, I will put some of my business aside to come to Japan. I would happily put some of my business aside. If it hadn't been for this unprecedented emergency, I would have put this aside.

Okinawa and the Japan-U.S. Security Relationship

Q. Well, your cancellation is especially significant since the Okinawa incident by the three Marines and emotions are running high. And people are starting to question the most—the linchpin of the U.S. security—linchpin of the U.S.-Japan relations, which is the security threat. How would you define

the treaty after the cold war, the importance of the treaty?

The President. If I might, I'd like to first say something about the incident at Okinawa. On behalf of the American people, we want the Japanese people to know that we share their outrage and their pain. And I want to express my personal regret and outrage to the family, to the young woman, to all the people of Okinawa. This was—it's a terrible thing. And every father in the world of a young daughter, including the President of the United States, was struck by the incident. The United States, obviously, has cooperated and supported the turning over of the people who were charged. We have tried to improve our procedures for cooperating in these criminal matters, and we will continue to do that. So I feel very strongly about this.

Now, however, I think that, notwithstanding this terrible incident and the end of the cold war, we shouldn't minimize the importance of continuing this partnership. We've had 50 years of relative security in Asia because of the partnership that the United States and Japan have had for security. We still have an unresolved situation on the Korean Peninsula. North Korea has more than a million people under arms. We have an agreement, thanks to the cooperation of Japan and the United States, with China and Russia and others to dismantle North Korea's nuclear program. But it isn't finished yet. And there are many uncertainties in the future.

We also know we're going to have to deal with problems of proliferation of weapons of destruction, of terrorism, of organized crime. Both Japan and the United States have been victimized by terrorism recently. So there are still very compelling reasons for us to maintain our security partnership. We are reviewing that. We want to clarify that in the form of a declaration.

As you know, we have established a high-level committee to review the specifics of our relationship with Japan and particularly the problems in Okinawa. We want to show the people of Okinawa that we can continue to respond to the specific objections. But the need for a security partnership, I think, is still very, very strong. And I hope it will re-

main one of the real pillars of our relationship.

Q. I think very few people suspect about the need of the continued security partnership between Japan and the United States. But many people think that since the treaty was written 35 years ago based on the conditions prevailing in the Far East then, maybe this is a time to review the entire system and check it and modify it if there is a need.

The President. Well, I think—I would say there are two things that I think we should do. First of all, we should make clear to the people of Japan and the United States and all the people in Asia who are affected by this what we believe the security, the common shared security interest and the common values we share are as we look toward the 21st century. Then I also believe that this group of people we have put together to work with your people on the specifics of the relationship within Japan and on Okinawa, that we should finish that and do this over the next—do that over the next year and look at whether there are further things we could do in our operating procedures to accommodate the people of Okinawa, look if there is something we can do in the size and the distribution of our forces on Okinawa, look at the size of the land we occupy and how we occupy it, and then consider whether maybe even we could transfer some of our forces elsewhere in Japan.

You know, there are all these things we need to look at in a very disciplined way. And I think that we will do that. But I don't believe we should, without great discipline and care, just revise a relationship that has plainly contributed to economic growth and political security and stability not only for Japan but for the rest of Asia as well.

Q. What do you think about the Governor of Okinawa, Mr. Ota? You used to be the Governor of Arkansas. I think he is presenting a good case that Okinawa people are having unfair burden by excessive concentration of U.S. bases.

The President. Well, I believe that his concerns have to be carefully considered. You know, we have—for example, in the last few years, we've tried to change our training schedules, reducing the firing of live ammunition, for example, trying to be concerned

about the impact of noise on the people of Okinawa. I think that we have to consider his concerns very carefully. And as I said, I think we have to look at what our options are. I think the United States should be open-minded about that. I think that we will discuss with the Government of Japan what other options we might have within Japan for pursuing this relationship.

But his job as the Governor of Okinawa, like my job when I was a Governor, is to represent the real concerns of the people there who have a right to want to carry on their daily lives, to make the most of their own lives, and to take care of their families. And we should be careful to listen to them and see whether or not we can resolve this. And I believe we can do better.

Q. One more point I want to ask you, Mr. President, is the so-called free-ride argument in the United States. The asymmetry where the United States protects Japan but Japan cannot fight for the United States constitutionally is the course of nation we chose 50 years ago under the guidance of the United States. And Japanese are, to be frank, quite proud of their peace constitution. Is the United States growing—becoming dissatisfied with such Japanese course?

The President. I don't think so, for two reasons. First of all, the Japanese people have been willing to bear an appropriate level of cost for the location of our troops in Japan. And we cannot complain about that—and have improved that cost ratio over the last couple of years. And the United States needs to recognize that. Secondly, Japan has become increasingly willing to assume other kinds of global responsibilities. You have been very forthright and strong in Cambodia. You have even committed to help in the reconstruction of Bosnia, a long way from home, and many, many other examples I could cite. So my view is that this is still a fair partnership for security matters. And barring some dramatic change of circumstances, we should try to modify the partnership to meet the demands of this time, not have a dramatic departure from it.

Q. In that sense, Mr. President, do you think Japanese peaceful constitution is still viable for peace?

The President. Well, I believe it is because I believe that one of the things we ought to be trying to do is to get the rest of the world to move toward less armaments. You know, Japan is working with the United States, for example, and we hope we'll be able to persuade the rest of the world to join us in a comprehensive test ban treaty, nuclear test ban treaty, next year. We hope that we'll be able to do more together in the world to reduce the danger of chemical and biological weapons. We worked very hard just a few months ago, Japan and the United States, to get almost 180 countries to join the Nuclear Non-proliferation Treaty. So our objective in the world should be to reduce the volume, the danger of arms, to reduce the millions of land mines that are in the ground in places that your people in Cambodia have been subject to, for example, not to try to have a massive arms buildup everywhere.

Q. Going back to Okinawa, you sympathized with the burden of the Okinawan people having bases concentrated there. Would you bring a specific package, a concrete proposal, in reducing the bases, the U.S. bases there?

The President. That depends on what the alternatives are. And that's why I think it—for me, I should leave it to our negotiators. I have gotten—I have put a high-level team in place—Mr. Lord, Mr. Nye, and others will be working on this. And I think that they need to see what the options are. I do not know enough to know what the alternative options are to make a specific proposal. All I can say is that I have followed very, very carefully here the specific concerns of the people of Okinawa. And I know what it's like for people to feel that they are being oppressed by those over whom they have no influence. And I don't want that to be the feeling of the people of Okinawa. I want this to be a partnership of which they can be proud as well. And therefore, we're going to work very hard to, in total good faith, to try to resolve this.

Q. Are you in agreement with Secretary Perry when he says that the number of 47,000 U.S. troops in Japan as a whole will not be reduced? Bases in Okinawa could be withdrawn, but they would have to go somewhere else in Japan—is that your stance?

The President. Well, my feeling is that that is the general consensus not only of the United States but of other nations as well, that we should—that we would be sending the wrong signal at this time if we had a substantial reduction in our overall commitment, either in Japan or Korea; that this is the time for stability, for working toward reducing the possibility of any kind of war, any kind of exchange of missiles, any kind of military problem, whatever. And that is what we're trying to do. We believe that there's a consensus among our allies to try to maintain a sense of stability. And we don't want to do anything that could send the wrong signal there.

Asia-U.S. Security Agreement

Q. Do you have a vision as to the post security—post-cold-war security vision in Asia? So far it has mainly been characterized by bilateral relationship with Japan and the U.S., South Korea and the United States. Do you have a vision or a plan that would stabilize that part of the area?

The President. Well, of course, I hope that we will have more and more cooperation with other countries which could lead us, eventually, to regional agreements like the regional trade relationship we're attempting to develop through APEC.

For example, we have had military-to-military contacts with China which we are now resuming. And while we still have some concerns, and we hope the Chinese will issue a white paper on defense and be very forthright about it, the truth is that the Chinese have put most of their emphasis into growing their economy, not growing their military. So we hope that we can see further progress there. There are many issues to be resolved there, as you know, and we saw some of them in the recent flare-up of tensions with Taiwan and the testing in that area. But my hope would be that by early in the next century we would see other countries coming forward to work with Japan and work with South Korea so that we can broaden the responsibilities that we all share there.

Q. So you can envision maybe a military exercise together with four or five different countries?

The President. It could well happen. That's what we've tried to do in Europe. In Europe, if I could just draw a parallel, as long as nation states have existed on the continent of Europe, there's always some sort of political or military division. We are now trying to work with the Europeans to try to create a united Europe for the first time in history through something called the Partnership For Peace, among other things. But the Partnership For Peace is a NATO security partnership.

We've done military training with Russia. We just had, in Kansas, a Russian-United States military training exercise. We have had military exercises in Poland. We have all these countries working together to reinforce each others security, instead of planning to fight with each other. That's what I hope will happen throughout the world.

Japan-U.S. Security Relationship

Q. So I gather you have recognized that U.S.-Japan security treaty has become more important?

The President. Yes. I think it would be a great mistake to think it is less important. If you look at the economic power of Japan and the United States, at the fact that we are both great democracies, at the fact that our—I believe—I know this is not the prevailing opinion, perhaps, but I believe our relationship has grown much stronger in the last few years, just since I've been President because we are now more open about our differences and more steadfast in holding on to our strengths and the things we share. That is the way great democracies have to behave. And I think until we live in a very different world than we now live in, we should maintain our security relationship, as well as our economic partnership and our political commitment to democracy and freedom. The things go together, and it's not time to change that.

Japan-U.S. Trade

Q If I may turn the topic a little bit more to economics. The small, tragic incident in Okinawa flared up into such a major diplomatic incident. Perhaps it is because for the past 2½ years while you have been in office, Japan and United States has been engaged

in very severe trade negotiations that maybe—concentration on the economy has brought adverse feelings among us.

The President. Well, you see, I believe that—let's take it back to where we were when I became President. The United States had just experienced the slowest job growth rate we'd had in 4 years, in the last 4 years—since we had a Great Depression—for 60 years. The feelings of resentment in the United States were building up over the enormous trade surplus Japan had in our dealings. And the feeling was that nothing ever happens.

So what I did was to launch a broad-based outreach to Japan to reaffirm the security relationship, to reaffirm our political partnership, to say that ultimately we needed a regional and a global approach to trade. So we had this world leaders meeting at APEC, and Japan and the United States helped to resolve the GATT world trade agreement so we'd have a global trading system. And we had an aggressive approach to our individual bilateral trade differences.

But look what's happened. Because of good faith efforts in Japan and the United States, we have conducted and completed an unprecedented 20 trade agreements. The Japanese trade surplus with the United States has gone down for 5 months in a row. We have had a big increase in our exports in the 20 areas where we have agreements, and overall. And the Japanese, at a time of economic difficulty for Japan, have gotten a wider choice of goods at lower cost. So I believe we are working toward a much stronger and more balanced partnership.

Again, I would say, I would hope the people—there is no American who ever would defend or be insensitive to what happened in Okinawa. We felt the same way about that the Japanese people did. And again, I would say that's why I so much wanted to come now, to say these things directly to the people of Japan. But these trade difficulties should be seen in the context of our long-term partnership. And we are working through difficulties in the way that mature democracies must. So I see it as a plus, not a negative, over time. No one likes to read about conflict or hear about it on the evening news, but conflict is also a part of life—that mature and

disciplined people resolve their conflicts in a way that is consistent with their values and the long-term interests of their people. And I believe that's what we're doing.

Q. I think you are right in saying that there have been many economic progresses, but there does seem times the level of inflammatory rhetoric has, unfortunately, gone up, partly because we lost a common enemy, partly because of our protracted trade imbalance. People are seeing that the "special relationship," quote and unquote, does no longer exist between the two countries. In that case, we have to lower our mutual expectations. What are your comments?

The President. I think that's very wrong, at least in the United States. It's my experience—you know, we have a few politicians here who still engage in inflammatory rhetoric against Japan—but not just Japan. If they—anybody here who engages in inflammatory rhetoric against Japan is probably engaging in inflammatory rhetoric against a lot of other places, too—

Q. That's right.

The President. —always trying to blame America's problem on someone else. What I tried to do was to preserve and strengthen this special relationship by setting up a system through Ambassador Kantor, who is in Japan today, to handle the trade problems in a very disciplined way in the context of our overall partnership with Japan. It is a very special relationship.

We are still the world's two most powerful economies. We are still committed to democracy. We have this unusual, wonderful security partnership that has helped to keep war off the lives of the people of Asia for the last 50 years. These are major, major important things. And we cannot abandon our special relationship until there are others who have as much commitment to the future of the world as we do, and who have the same ability we do to secure peace and prosperity. No one else can do that in the way America and Japan have. So to me, the relationship is more important than ever. And I hope it would not be abandoned just because the cold war is over. We still have our affirmative responsibilities.

Q. Well, we are very much gratified to hear your comments. But still, some people think

that the major cause of imbalance is a rather microscopic savings investment imbalance, whereas too much political emphasis has been given to individual trade issues.

The President. My own view is that they're both to blame. And if you look at what I have done since I've been President—we had one of the highest deficits of all the large economies in the world when I became President—trade deficits—and a very low savings rate. We have now taken our deficit down to the point where, this year at least, it's the lowest of all the G-7 countries.

And we're committed to balancing the budget. Our debate here is over how to balance the budget, not whether. We are looking at ways to increase the savings rate. We are trying to increase our own productivity. And we know that we will never, ever have an overall balance of trade in the world until we have done something about our Government deficit, done something about our savings and investment rate.

But we also know that's it's important that, insofar, as possible, all countries move toward open, transparent trading systems and treat each other fairly. So to me, both things must be done. And I have never tried to ask Japan or any other nation to do anything as an excuse for not having America do what we must do as well.

Q. So would you like to concentrate next phase on structure issues like debt regulation with Japanese counterparts?

The President. Well, I think as Japan goes through its deregulation program, prices will drop in Japan, and the quality of life for average Japanese families will go way up. It will also lead to the purchase of more American products, and that will create more good, high-wage jobs for Americans. But you ought to pursue these policies primarily because it's good for the Japanese people. Incidentally, it will help our people. But great nations must obviously look after the interests of their own people first.

At this point, your economy is so advanced and so powerful—you even have Japanese companies now, if you will, out-sourcing some of your manufacturing in other Asian countries that are still developing.

The reason for opening your economy and deregulating now is not to make me happy,

although it will create a lot more American jobs and I want you to do it for that reason, but because it's also good for the Japanese people. The Japanese people have worked so hard for so many years and now, with these changes, you can bring the benefits of their hard work to them in the form of a better quality of life. That's why I think it should be done.

Q. Another bad news that came from the United States to Japan recently was the fact that one of the Japanese commercial banks, Daiwa Bank, was ordered to stop their operations in the United States. Your view on that decision?

The President. Well, because it's under active investigation here, under our system I can't really comment on it, except to say that I regret it very much. But it should not be taken as a signal that we do not welcome Japanese investment in our financial institutions or the establishment of Japanese financial operations here. You have a lot of other extremely successful operations in America—the Mura Securities I just think of as one I could mention off the top of my head.

So we have to enforce our laws in the way we think is—we are required to. And I can't comment on that specific case, but please do not believe we do not want your country to have the opportunity to send its people here to compete, because we do.

Japanese Economy

Q. But in general, Japan has been suffering—the Japanese Bank has been suffering with huge amounts of bad debt. Are you concerned about the Japanese economy, where it's going and what effect it might have in the global economy?

The President. Obviously, we're concerned about the financial system problems that are reported here. But keep in mind, we went through a terrible situation here 10 years ago, where because of a lot of imprudent things that were done in many—10, 15 years ago, we had a collapse of our savings and loan sector. It cost a lot of money to fix it, but fundamentally, the American people were working hard and becoming more productive. And we got through it.

And I think that you'll—I'm not familiar enough to know the details and what the op-

tions are, but this is something the Japanese people will have to address. But don't forget, fundamentally, you have this enormously powerful economy. You have a great technology base. You have an enormously competitive citizenry. The underlying health and power of the Japanese economy is great. So you'll just have to figure out what has to be done, and I'm sure the people will do it. And it won't permanently weaken the country.

All these problems—I find that whether we have them or you have them or some other country has them, people will always have problems as long as we live on this planet. And the important thing is to address them quickly and in a disciplined way and so that the underlying strengths of the people involved can rise to the top.

Japanese Adjustment

Q. May I tell you on a negative case, Japanese companies have had bad investment here in the States like yours in Whitewater—I might be wrong—

The President. If you invest money you might lose it; that's the way the market system goes. [*Laughter.*]

Q. And the result is that more Japanese companies are investing more into Asia. What would you like to think about that?

The President. Well, I think, partly that's quite understandable because in those rapidly growing countries which are near to you, if you put more investment in, it is logical to assume that they will become better markets for your products. And a lot of those countries are close at hand and they have rapidly growing economies.

In our country, some of the Japanese investments which were, just like a lot of Americans, somewhat speculative in nature in certain areas, when the markets turned down a lot of money was lost. On the other hand, I think there will always be a healthy level of Japanese investment in America because of the importance of the American market. And the long-term stable Japanese investments that are tied to production and to productivity are doing very well in this country, and I expect they will continue to do well.

And I might say, the American people have benefited from that. We have learned a lot in our own efforts to improve the productiv-

ity of our people, especially in manufacturing, from the investments of Japanese companies in the United States and from watching how your companies operate and the relationships between management and labor and the power given to the workers in the productive sector to grow the economy. So I think it will be quite good in the future.

U.S. Economy

Q. Well, let me complement the question by asking you something more positive. As you say, the productivity in this country is going up. The basis of manufacturing industry has become robust. Consumer confidence is back. But what we are seeing is your phenomenal growth in export performance. Is the United States transforming itself from import-oriented country to an export-oriented country?

The President. Oh, I think what we want is a more balanced economy. That's what I work for. And you're right, it's working. We have the stock market at an all-time high in this country, the creation of small businesses at a record pace. And we have the lowest combined rates of unemployment and inflation we've had in 25 years, because we're following a balanced approach: bring down the deficit, investment in technology and education, push for more exports, do it in a balanced way.

Our exports have increased in only 3 years by something like 35 percent to the world and even more in Asia. So there, again, I would say the special relationship is important. Over half of America's exports go to Asia. Over 3 million American jobs are tied directly to the health and welfare of the Asian economies. And again, that makes our partnership with Japan, from my point of view, even more important.

But if I could bring it back at home, that's one reason, unfortunately, I have to stay here now, because what we have done is to follow a balanced approach: bring the deficit down, work to balance the budget, but keep investing in people and technology and keep the power to promote America's business interest and the workers' interest around the world.

And so, if you look at the fight we're having here, I want the Japanese people to know

we're not fighting about whether we should balance our budget and be more responsible so we don't take so much money out of the world's economy. We agree we must balance our budget. But I think what we have here is how to balance the budget is a debate between two different visions of the future for our own society. I want a society where we grow in strength together, and I believe the alternative proposal would have us growing apart.

I don't—for example, I don't think we have to balance the budget by raising the medical costs of our poorest senior citizens. I don't think we have to balance the budget by depriving our younger people of the opportunity to be in Head Start programs. I think it's a mistake to say we have to balance the budget by reducing the number of college scholarships or raising the cost of university loans or by cutting aid to disabled children and their families. These are matters really important to debate here. I know we don't have to do that to balance the budget, and I think that would be bad for our economy.

I believe the strength of the Japanese economy rests more than anything else in the disciplined pursuit over a long period of time of a responsible investment policy, a responsible production policy, a responsible export policy, and the investment into people—education, technology, and having all the people do well. That's what we have to do in the United States. That's the debate we're having here. That's why, in a way, the people of Japan are better off if I stay here now, because a strong Japan needs a strong America to be a good partner. We have to grow together.

Asia-Pacific Economic Council

Q. Since you mentioned the importance of Asia for the United States, I'd like to ask a question in relation to APEC. You convened a summit meeting 2 years ago in Seattle, and this year you're not present. Perhaps your leadership and credibility in Asia might diminish.

The President. It might. And I had to think of that. But when the President of the United States takes the oath of office of the President he must first promise to be—to deal with the responsibilities that the Con-

stitution of our country imposes. If I were to leave now, I would be running away from decisions that I have to make here imposed on me by the oath that I swore to uphold.

I have already called not only Prime Minister Murayama but President Kim of South Korea, President Soeharto of Indonesia. I'm trying to reach President Jiang Zemin now. I'm going to talk to as many of the APEC leaders personally as I can to apologize for not being there and to say the Vice President's going to be there, because we—this APEC leaders partnership is very important to our country and very important to your country, because what we want is a growing Asia in the context of a global trade system and the agreement. And I want to say one thing before we run out of time. Prime Minister Murayama and his government have done an excellent job in leading APEC this year. And the agreement that will be announced there to deal with comprehensive trade issues, to do it in a flexible way, to have regular reviews of how we're doing and moving toward an integrated economy, it's a very, very important agreement. And it proves that we need APEC.

And I hope that my one-time absence will not be interpreted by my colleagues and friends, the leaders of the other nations, as a loss of interest, because this is a big APEC meeting, thanks largely to the leadership of your government.

The President's Influence on Japan

Q. Mr. President, we have two great native Arkansans; one is the President, the other one is General Douglas MacArthur. Both of them gave us great influence. What would you like to do to the Japanese?

The President. I would like to do as President with regard to Japan, I would like to be known in the future as the President who created a partnership with Japan that took the world beyond the cold war into the global village of the 21st century, that together we led the world to be a more peaceful and a more prosperous place where more people enjoyed freedom and could make the most of their own lives, and that this is something we did together. That because of our wealth and because of our vision and because of our values, that together we were the driving

forces in making the global village of the 21st century the kind of place we would all be proud for our children to grow up in.

President's Vision for the 21st Century

Q. The year 2000 will presumably be the last year in your reelected office. And your dreams about the 21st century—short of the United States becoming world's policeman, how are you going to bring about the safer world?

The President. Well, my dream for the 21st century is that people, nations will define their greatness not in terms of their military power but in terms of the quality of life their people enjoy, their ability to preserve their—our common natural environment and our ability to give every person the right to make the most of his or her own life—that's how we'll define our greatness.

My vision includes the ability of nation states to open up their systems enough to have a global trading system but to still be strong enough to stamp out the organized forces of destruction, to stamp out those who would use terrorism and organized crime and drug trafficking to kill innocent people. That really is going to be our great challenge, to take advantage of all these forces that are pulling the world together—essentially, economics and culture—pulling the world together, and to stamp out these forces that are threatening to tear us apart—the forces of racial and religious and ethnic hatred—what we're trying to deal with now in Bosnia, hoping to bring peace there; and the forces of terrorism, organized crime, and drug trafficking. Those things are the great security challenges of the 21st century, along with the proliferation of weapons. Those people that want to proliferate weapons—we've got to do something about it. We can't—when Japan went into Cambodia to try to help make the peace, there is something like 10 million land mines there. We have to do something about that.

But if we can deal with our differences, our cultural, racial, ethnic, religious differences, and deal with the organized criminal and the terrorists, then I think the 21st century will be the greatest time in all of human history.

Q. But, Mr. President, he meant you'll be reelected next year.

The President. I hope he's right. [Laughter.] I let it pass, but I hope he's right.

The main thing is that in a time of change you can't predict the future. And you can't predict what will be popular next month, much less next year. The important thing is for us to say, here's what we believe in; here's the future we're trying to achieve and the work to achieve it. And the elections will take care of themselves.

Q. Finally, we are running out of time so I'd like to ask you if there's anything else that you left out to tell the Japanese public.

The President. I just want to say that I have been coming to Japan for many years, first as a Governor, then as President. I have enjoyed and been moved by every trip I have ever made there. Again, I personally regret that I cannot come now. But I'm doing the right thing for our country and for our relationships with Japan by staying here in this unprecedented moment. I will come as soon as I can.

But the important thing is that the Japanese people must know that our partnership with Japan is secure and must grow stronger. We owe it to ourselves; we owe it to the rest of the world. It is the right thing to do, and I will do everything in my power to see that we achieve it.

Q. Mr. President, we'd like to thank you very much for joining us.

The President. Thank you very much. Glad to see you.

Q. Thank you.

The President. Thank you.

NOTE: The interview began at 12:30 p.m. in the Roosevelt Room at the White House.

Statement on the Conventional Forces in Europe Treaty

November 17, 1995

Today marks a milestone in our common effort to build a transatlantic community where cooperation, not confrontation, is the key to security. The parties to the CFE Treaty have achieved a goal that was thought unattainable less than a decade ago: They have destroyed more than 50,000 pieces of mili-

tary equipment to establish a stable balance of conventional forces in Europe at levels dramatically lower than existed only a few years ago. CFE's implementation—including the conduct of thousands of onsite inspections and the exchange of detailed information on military forces, in addition to the destruction of thousands of pieces of armor, artillery, combat aircraft, and attack helicopters—is tangible evidence that the era of cold war confrontation is behind us.

We owe this remarkable achievement to the determination of the 30 governments represented in the CFE Joint Consultative Group. As envisaged when the CFE Treaty was signed in 1990, this group has been the key to finding cooperative solutions to countless implementation problems, large and small. You have made the treaty work.

CFE has been a flexible instrument in promoting our common security. This has been demonstrated by our ability together in the joint statement approved today to agree on the broad outline of a solution to the issue of the flanks, which preserves the integrity of the treaty and does not diminish the security of any state. I urge all parties to this landmark treaty to work intensively to complete the task of resolving this issue as soon as possible.

There are other implementation concerns as well, relating to equipment destruction and other issues. The United States expects all parties to CFE to meet their treaty obligations. This must be done if we are to achieve the full promise of this treaty. Working through these remaining problems will be a key task for the Joint Consultative Group in the days to come. Given the record of the past, I know that our work will succeed.

Statement on House of Representatives Action on Budget Reconciliation Legislation

November 17, 1995

Today, the Republicans in the House of Representatives voted to enact the biggest Medicare and Medicaid cuts in history, unprecedented cuts in education and the environment, and steep tax increases on working families. I will veto this bill. I am determined

to balance the budget, but I will not go along with a plan that cuts care for disabled children, reduces educational opportunity by cutting college scholarships, denies preschool to thousands of poor children, slashes enforcement of environmental laws, and doubles Medicare premiums for the elderly. We should balance the budget in a way that reflects our values.

Digest of Other White House Announcements

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

November 12

In the evening, the President and Hillary Clinton attended the Ford's Theatre Gala at the theater.

November 13

The President announced his intention to appoint Gila Joy Bronner to the U.S. Holocaust Memorial Council.

The President announced the appointment of Marvin F. (Bud) Moss to the National Historical Publications and Records Commission.

Nominations Submitted to the Senate

NOTE: No nominations were submitted to the Senate during the period covered by this issue.

Checklist of White House Press Releases

The following list contains releases of the Office of the Press Secretary that are neither printed as

items nor covered by entries in the Digest of Other White House Announcements.

Released November 10¹

Transcript of a press briefing by Press Secretary Mike McCurry

Statement by Press Secretary Mike McCurry condemning the execution of environmental and human rights activists in Nigeria

Statement by Press Secretary Mike McCurry summarizing the Department of Energy's report to the Chief of Staff on the Department's media analysis contract

Released November 11

Transcript of a press briefing by Press Secretary Mike McCurry and Office of Management and Budget Director Alice Rivlin

Released November 12

Statement by Press Secretary Mike McCurry on continuing resolution and debt extension legislation

Released November 13

Transcript of a press briefing by Press Secretary Mike McCurry

Released November 15

Statement by Press Secretary Mike McCurry on National Security Adviser Anthony Lake's meeting with Sein Finn President Gerry Adams

Statement by Press Secretary Mike McCurry on the President's decision to postpone his planned visit to Japan

¹ These items were not received in time for inclusion in the appropriate issue.

**Acts Approved
by the President**

Approved November 13

H.R. 1905 / Public Law 104-46
Energy and Water Development Appropriations Act, 1996

H.R. 2589 / Public Law 104-47
To extend authorities under the Middle East Peace Facilitation Act of 1994 until December 31, 1995, and for other purposes

Approved November 15

H.R. 1103 / Public Law 104-48
Perishable Agricultural Commodities Act Amendments of 1995

H.R. 1715 / Public Law 104-49
Respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act

H.R. 2002 / Public Law 104-50
Department of Transportation and Related Agencies Appropriations Act, 1996

S. 457 / Public Law 104-51
To amend the Immigration and Nationality Act to update references in the classification of children for purposes of United States immigration laws